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NEWS SUMMARY

GENERAL

Soviets deny Olympic concern

Soviet officials claim to be unconcerned by talk of a large-scale boycott of the 1980 Olympic Games, in protest at the Afghanistan intervention.

A Soviet propaganda official was reported to have said at a Comecon meeting this wek that the Soviet Union does not regard the threat of a boycott as serious.

In Washington, White House Press secretary Jody Powell said President Jimmy Carter will make a final decision on the Olympics "in the next several days." Feature, Page 2

China arms move

Chinese Foreign Minister Huang Hua was due in Pakistan to show Peking support after the Soviet intervention in Afghanistan as the Indian Press reported that China was pouring weapons into Pakistan over the Karakoram Pass. Page 2

Bugging protest

The Soviet Union has protested to the U.S. Government after finding bugging devices in its new embassy housing complex in Washington, the Izvestia newspaper reported in Moscow.

Sanctions backed

The U.S. is to press ahead with economic sanctions against Iran in the next few days. The disclosure coincided with news that Japan will co-operate with the American plans. Page 2

Truce extended

British Governor Lord Soames extended for six months the state of emergency in Rhodesia to deal with the "continuing state of lawlessness and violence." Page 2

Hijack surrender

A teenager who hijacked a Middle East Airlines Boeing 707 on its way to Cyprus gave himself up after freeing the 82 passengers and crew at Beirut Airport.

Victims named

Two of the three people killed in Thursday's Belfast train bombing were identified as schoolboy Mark Cochrane, 17, and accountant Abayonni Max Olorenda, 36. The blast brought renewed Commons calls for harsher terrorist penalties. Page 4

Bridge destroyed

At least six vehicles fell into the water from a bridge north of Gothenburg, Sweden, after it was destroyed by the Liberian freighter Star Clipper. The ship collided with one of the bridge supports in thick fog. Police said 13 people were missing.

Beaton dies

Sir Cecil Beaton, the photographer, painter and writer, died at his home near Salisbury. He was 76 on Monday.

Pigeon post

Freedom Fields Hospital in Plymouth has hired 24 racing pigeons to take blood samples for analysis to the city's central blood bank laboratory.

Briefly . . .

Liberian tanker Salem carrying Kuwait crude oil caught fire and sank off Senegal. All the crew were rescued.

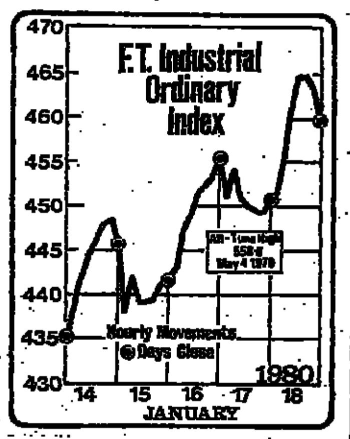
Former Beatle Paul McCartney will have to spend at least 10 more days in custody before Japanese authorities decide whether to charge him with drug offences.

Royal Society of Arts awarded the Benjamin Franklin Medal for 1980 to Jodrell Bank director Sir Bernard Lovell.

BUSINESS

Equities improve; Sterling stronger

● EQUTIES were forced sharply upwards as the flow of cash into stock markets resumed after Thursday's lull. The FT 30-share index closed at 459.8, a gain of 9.0 on the day,



making a week's rise of 24.6 and, over two weeks, of 45.9. South African GOLDS rebounded strongly with the stronger bullion price and the Gold Mines index rose 21.4 to 360.4.

● GILTS took up their recent sound tone and appeared little concerned at the issue of £1.8bn new taps. They closed 0.23 up at 68.53.

● STERLING rose against most currencies in thin, patchy trading to close 85 points up at $2.2855. Its trade-weighted index was 71.9 (71.6). DOLLAR mostly showed no real trend, finishing unchanged from Thursday against the Deutsche Mark at DM 1.7235 and little changed against the Swiss franc at SwFr 1.5910 (SwFr 1.5920). Its trade-weighted index was unchanged at 84.7.

● GOLD closed in London at $835, a rise of $75.

● WALL STREET was up 2.56 near the close at 866.13.

● FELIXSTOWE port, a subsidiary of European Ferries, is to more than double its container capacity at a cost of £27m. Back Page

● DEVELOPING countries in the Group of 77 have voted to phase out flags of convenience in shipping. That is potentially a big setback for Liberia. Back Page

● BANK MARKAZI, the Iranian central bank, has issued an attachment order on $50m held by Citibank at the Bank of France in its attempt to recover an equivalent sum at Citibank's Paris branch. Back Page

● INDUSTRIAL production picked up only modestly in late autumn after the engineering strike. Page 3

LABOUR

● NATIONAL officials of four unions intervened yesterday to prevent a strike by docks craftsmen from spreading. Page 4

● BRITISH STEEL'S Stanton works, Derybshire, today lays off 950 blast furnacemen, uninvolved in the steel workers' strike, because of the stoppage. Page 4

COMPANIES

● SLOUGH ESTATES has revalued its properties, which, it finds, are worth more than £362m world-wide, compared with a book value of £203m in 1978. Page 18

● NATIONAL CARBONISING has sold its main asset, a 6.8 per cent stake in London and Scottish Marine Oil, for £12m. Page 18

● FIAT is expected to report disappointing results for last year. Page 21

● RAYBECK, clothing manufacturer, saw pre-tax profits for the half-year to October 27 fall from £3.48m to £3.02m on turnover of £48.55m (£45.44m). Page 18

Decca receives bid approach from Racal group

BY JOHN LLOYD and CHRISTINE MOIR

Decca, the defence, marine and consumer electronics company, has received a bid approach from the Racal defence electronics group.

Discussions between the Boards of both companies are expected to continue over the weekend, and a further announcement is expected next week.

Following a statement yesterday from the Decca Board:

● Decca announced a pre-tax loss for the first half of the current financial year of £1.9m, compared to a £2.5m profit over the same period last year.

● The company also announced that Polygram, the record subsidiary of Dutch Philips and West German Siemens, had offered £9.5m for the best part of Decca's music division. However, Decca must bear the cost of more than 1,000 redundancies in the division—estimated to be £2.5m—and may see £4m of the purchase price withheld if sales of its records do not reach a required level.

● Mr. Gulu Lalvani, chairman of the electronic distribution company Binatone, said that he, together with a "Far Eastern partner," were negotiating to buy Decca's television division. Mr. Lalvani, who is flying to the Far East today to discuss the deal with his partner, said that Decca had valued the division at about £2m, but that he believed it was worth rather less.

There have been strong rumours of a takeover since Decca announced in September a pre-tax loss for the last financial year of £384,000 on sales of £182.5m. The General Electric Company had been thought likely to take an interest in the company, but Racal was most frequently mentioned as a likely buyer. Last year, Racal showed profits of £61.4m on sales of £226.7m.

Market reaction to the news of the discussions was to increase both classes of Decca shares by 15p but to leave Racal's shares unchanged at the end of the day after an earlier 7p fall. At yesterday's levels, Racal has a market value of £467m while Decca's equity is capitalised at £60m.

Neither company would comment on the effects of the possible bid last night. However, City analysts responded favourably to the news, pointing to considerable assets in Decca which might be unlocked by Racal.

Details of the Polygram offer, which are said to have been delayed for some weeks because of arguments over redundancy payments, show that Decca has been left with assets on the music division with a book value of £11.5m. These are mainly the recording studios and pressing facilities, which Polygram does not need.

However, the Polygram deal also allows Decca to receive as much as £6m above the £9.5m price—if sales of its records go well after the deal.

The possible sale of the television division to Mr. Lalvani, who last year bought the microvision (miniature television) interests of Sinclair Radionics, will be of special interest if, as is believed, his partner is a South Korean company.

The South Korean television companies have been looking for a European base for some time to expand sales, blocked at present by the restrictions of the PAL licence agreement.

Institutional shareholders of Decca are unlikely to oppose any reasonable offer from Racal. The institutions see a takeover as a solution to Decca's problems. They have been unhappy with Decca's performance for some time and have held several private meetings with the board to seek stronger management.

Nevertheless, they do not hold the balance of power in this case. Sir Edward Lewis, the chairman, and his Board together visibly control 18 per cent of the voting capital. But the share register reveals weighty holdings in nominee names whose ultimate owners remain unknown. These have always been thought to vote with the Board swelling its actual control to as much as 50 per cent, on some estimates.

Feature, Page 16

New gilts worth £1.8bn offered

By Peter Riddell, Economics Correspondent

THE GOVERNMENT will try to maintain the momentum of its funding programme next week by offering for sale two new gilt-edged securities totalling £1.8bn.

The issues will be by tender and in a partly-paid form. They will consist of £800m of 13¼ per cent Exchequer 1983 and a further £1bn of 12½ per cent Treasury 2003-05.

The announcement came yesterday, only a week after the Bank of England had sold between £1bn and £1.5bn of gilts in two days.

Further large issues have been made partly in order to try to prevent the gilt-edged market racing further away in the absence of any tap stocks after a 5¼ per cent rise in the FT Government Securities Index this month.

Prices of long-dated stocks were yesterday unaffected by the news, ending £⅞ up.

The authorities are keen to dampen expectations of an early cut in Minimum Lending Rate in spite of the slowdown in the rate of monetary growth reported on Thursday. Even after last week's sales, there is considerable official caution about the main monetary influences, and hence about the amount of funding necessary.

Tenders on both stocks must be lodged by 10.00 am next Wednesday. The 1983 stock is being offered at a minimum tender price of £96.75 per cent, where the flat yield is 13.95 per cent and the gross redemption yield is 14.65 per cent. A total of £60 per cent has to be subscribed with tenders and the balance is due on February 29.

The long-dated stock is being offered at a minimum tender price of £91.50 per cent where the flat yield is 13.66 per cent and the gross redemption yield is13.70 per cent. In this case, £25 per cent has to be subscribed with tenders, £45 per cent on February 15 and the balance on March 14.

Expectations that the next move in short-term interest rates will be downwards were highlighted yesterday by a further fall in the Treasury bill rate at yesterday's tender. It now stands at 15.7439 per cent.

Savings, Page 7
Money Markets, Page 23

£ in New York

—	Jan. 17	Previous
Spot	$2.2765-2775	$2.2665-2680
1 month	0.68-0.63 dis	0.92-0.87 dis
3 months	1.50-1.45 dis	1.59-1.52 dis
12 months	3.35-3.25 dis	4.10-3.90 dis

Rise in retail prices index down to 0.7%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE STEADY climb in the 12-month rate of retail price inflation was checked last month, but this was almost certainly temporary, because some large price increases are likely in the next few months.

Employment Department figures published yesterday show that the retail prices index rose by 0.7 per cent in the month to mid-December to 239.4 (January 1974=100). This was the smallest monthly increase since November, 1978.

Consequently, the 12-month rate in mid-December was 17.2 per cent, compared with 17.4 per cent previously.

Officials yesterday pointed to some steadying in the inflation rate in the final quarter of last year. Similarly, there has been some moderation in the rate of increase of wholesale prices charged for manufactured products.

In both cases, tight competitive conditions and an excessive level of stocks has probably stopped companies from raising prices to absorb fully recent big increases in the cost of raw materials, fuel and labour.

This has tightened the squeeze on profit margins, particularly of manufacturing industry, and is unlikely to continue.

These influences may help to limit the extent of the further likely acceleration in inflation, but a rise in the 12-month rate, probably to about 20 per cent between April and June, is expected by most leading forecasters.

There are a large number of big price rises in the pipeline. The increase in the mortgage rate will add 0.9 per cent to the index in January and February. Other big price rises include petrol, rail fares, telephone calls, beer, and provincial bus fares. Gas and electricity charges are also due to rise sharply in the spring.

This could mean that the monthly rises in retail prices may be larger than the increases of 1.5, 0.8 and 0.8 per cent respectively in the first quarter last year. But a big jump in the 12-month rate could come in April, which will be affected by both large local authority rate and rent increases and by any increases in indirect taxes in the Budget on March 25. The impact will be magnified since there were no Budget effects in the same month last year. The mirror image of this point is that when the large Budget price rises of July 1979 are out of the comparision, the 12-month rate should decline.

The Government has tried to offset the impact of the retail prices index by highlighting its new taxes and price index, which adjusts for direct tax changes. This index rose by 14.9 per cent to 119.8 (January, 1978=100) in the 12 months to December. It remains just over 2¼ percentage points below the rate of increase in retail prices. This indicates the increase in gross earnings needed to maintain the average worker's real take-home pay.

Gold rises to $835 in further active trading

BY PETER RIDDELL AND JOHN EDWARDS

THE PRICE of gold consolidated its rise above $800 an ounce in further active trading yesterday following its sharp overnight increase in New York.

Gold closed in London at $835, although it then slipped back in New York to below $830.

The London closing price represented a rise of $75 an ounce on the previous afternoon. But much of the increase occurred overnight in New York when the price first moved over $800, touching $820 at one point.

Dealers were unable to find any new reasons for the further big rise in the price beyond the familiar list of political and economic uncertainties.

The London closing price has risen by $211.5 in the past week for a total gain of over $300 so far this year.

The increase in gold brought some spectacular rises in the commodity markets as speculative buying spilled over to other metals and raw materials.

The London bullion spot price of silver was raised by 249.45p to a new high of 2,165.05p a troy ounce. Free-market platinum rose above £400 for the first time ever, gaining £18.05 to £402.65 an ounce.

On the London Metal Exchange copper cash wirebars jumped by £98.25 to £1,197 a tonne in hectic trading conditions.

Week in the Markets, Page 5
Mining, Page 5
Commodities, Page 21

Steel transport ban brings private-sector lay-offs

BY ARTHUR SMITH AND CHRISTIAN TYLER

THE STEEL strike was spreading rapidly to the private sector last night, as workers responded to the call from the Iron and Steel Trades Confederation to halt the movement of steel.

Mr. Roy Bishop, Midlands divisional officer of the ISTC, said many of the 10,000 private-sector workers in the region could be laid off before they were asked to join the strike from January 27.

The ISTC was extending the effect of its action not by picketing but through the instruction to members in the private companies not to allow steel in or out of factories.

Tube Investment announced last night that it is to close its steel-making plant, owned jointly with the British Steel Corporation, at Round Oak in the West Midlands. About 2,000 workers will be laid off. No pickets have been involved, but ISTC workers have refused to allow transport of finished products, TI said.

Ductile Steels laid off 200 workers in the Black Country yesterday and up to a further 650 employees at two other plants will be out of work by the end of next week, the company said.

In Sheffield Lee's Steel Strip, part of the Arthur Lee group, is to lay off 330 people at its Meadow Hall plant on Monday, because workers have prevented lorries loading or unloading.

Mr. Reg Parkes, chairman of the West Midlands region of the Confederation of British Industry, said the impact on the region of the new ISTC instruction had been dramatic.

Wide sections of Midlands manufacturing industry were likely to be affected by the dispute in one to three weeks, rather than the six weeks suggested by earlier forecasts.

1926 fears

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, warned last night that Britain was close to a general strike over the run-down of steel and its dependent industries.

His warning is the most unambiguous so far from a trade

Labour news, Page 4
Continued Back Page

Police may probe Lloyd's firms

BY JOHN MOORE

THE City of London Police Fraud Squad has been asked to investigate possible irregularities in business transactions of five Lloyd's underwriting syndicates.

The syndicates, numbers 753, 751, 750, 752 and 757, whose affairs were formerly managed by Ashby and Co., were suspended from trading last August after a request to Lloyd's 16-strong ruling committee by the Ashby management.

Because of the problems of the Ashby management team Lloyd's created a special company to provide emergency support services for underwriting management companies whose syndicates run into difficulties.

The company, Additional Underwriting Agencies, took on management of the Ashby syndicates.

Inquiries into the affair have taken place at Lloyd's. Mr. Robert Bishop, an insurance investigator, has completed a 175-page report detailing the connections of Syndicates 751 and 757 with various insurance groups in the Far East.

Lloyd's said yesterday that Additional Underwriting Agencies, managers of the Ashby syndicates, together with Furness Houlder (Insurance), part of the Furness Withy shipping group, and the Lloyd's broker involved in placing business with the syndicate had asked the police to carry out an investigation.

They requested that the investigation be carried out into various documents "purportedly issued on behalf of the syndicates and purportedly signed by a former employee of Furness Houlder (Insurance) which it is believed were not so signed."

The request to the authorities has been taken with full approval of Mr. Peter Green, the chairman of Lloyd's.

The employee at Furness Houlder (Insurance) was sus-

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For latest Share Index phone 01-246 8026

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Fundg. 5¾pc 87-91	£63⅞	+ ¾
Treas. 14pc 98-01	£101⅛	+ ⅞
Appleyard	62	+ 7
Armitage Shanks	55	+ 6½
Blue Circle	288	+ 12
Corn Exchange	303	+ 35
Debenhams	81	+ 7
Decca	340	+ 15
Eurotherm	300	+ 17
GEC	357	+ 8
Gibbs (A.)	78	+ 5
GUS A	404	+ 14
House of Fraser	141	+ 7
Johnson Matthey	270	+ 13
Ladbroke	152	+ 7
Land Securities	286	+ 11
Pullman (R. and J.)	45	+ 4
Rank Org.	189	+ 7
Sedgwick Forbes	104	+ 7
Vickers	128	+ 8
Siebens (UK)	566	+ 26
Bougainville	163	+ 13
Coronation Synd.	420	+ 30
East Daggafontein	63½	+ 23½
Impala Platinum	317	+ 27
Jo'burg Cons.	£31½	+ 2½
Kloof Gold	£15	+ 1
Marievale	184	+ 30
Monarch Petroleum	34½	+ 5½
Mount Lyell	100	+ 16
President Steyn	£16½	+ 1
RTZ	392	+ 25
Selection Trust	670	+ 30
SA Land	386	+ 46
Stilfontein	745	+ 80
Western Mining	231	+ 14
LOWS		
Nat. Carbonising	137	− 7
LASMO	380	− 8
Northern Mining	129	− 9
Whim Creek	80	− 14

OVERSEAS NEWS

Michael Thompson-Noel in London and **David Satter** in Moscow report on attempts to prevent a Moscow 'propaganda coup'

Olympic boycott: the Russians have time on their side

IT COULD all have been worse. In 67 AD, talk of an Olympic boycott was inconceivable. On Nero's *instructions, special* games were organised at Olympia. To cater to the madman, and for the only time in history, the Games included a musical contest and a 10-horse chariot race. The Emperor won every event in which he competed. A year later, Nero was dead.

In the wake of the Soviet invasion of Afghanistan, affairs are less clear-cut. Calls for a boycott of this summer's Moscow Olympics, or for their transfer to another site, or for a rival "Free World" Games, *reached crescendo this week.* But the odds may have turned once more in Moscow's favour.

Whatever revulsion the invasion may have stirred, whatever parallels are drawn with the Hitler Games of 1936, *time is on the Russians' side*—time, and the utter single-mindedness of the International *Olympic* Committee in Lausanne.

In Lausanne this week, the committee stressed the view of its president, Lord Killanin, that "the Olympics cannot be moved and they cannot be *cancelled." Only* "sporting or organisational" violations of the IOC's charter, or of the *agreement reached in 1974 with* the Olympic organising committee in Moscow, could provoke cancellation of the Games.

In Washington, where members of the U.S. Olympic Committee were due to meet White House staff yesterday to discuss President Carter's present view that the U.S. should boycott the Moscow Games, Mr. Robert Kane, president of the *Committee, said no parallels* could be drawn with the cancellation of the 1916 Olympics, because of World War I, or with the 12-year gap caused by World War II.

"It was not a boycott situation. *It wasn't a confrontation* within the Olympic community." The IOC would only cancel the Moscow Games, said Mr. Kane, if there was a "warlike atmosphere in the Persian Gulf."

The least likely outcome is that the Games will be transferred.

Montreal, which staged the 1976 Olympics, is the strongest alternative venue. Most competition facilities there are intact. *The near-insuperable problem* would be logistics: housing and transporting the athletes and their retinues, handling the influx of visitors, and mounting the massive security operation a modern Olympics needs.

Hotel capacity is unchanged from 1976, but most apartments in the $80m Olympic Village are rented *out and the Olympic* Stadium *now* caters for baseball.

A boycott is different. Saudi Arabia (which wins few gold medals) is the only country to have withdrawn from the Games so far, but the Moslem bloc meets in Islamabad on January 26, and a boycott will be discussed.

Holland said on January 12 that it would provide no Government aid for athletes going to Moscow, and the Philippine Olympic Committee hinted yesterday that it may not participate unless the USSR withdraws its troops

Soviet tanks in Kabul cast a shadow across the Olympics. Above, Misha the eBar, Moscow's Games mascot

On the other hand, Mr. Amadou Lamine Ba, secretary-*general of the Supreme Council* forSport in Africa, said yesterday that the African States would go to Moscow.

In Zurich, Dr. Raymond Gafner, the Swiss member of the IOC, said the Carter Administration's idea of a "Free World" Games would endanger the whole future of international sport, and that he doubted whether many national Olympic committees would support the boycott call.

M. Jean-Pierre Soisson, the French Minister for Youth, Sport and Leisure, has again *said that the French Government* will not support a boycott.

The Germans are reportedly cool towards a boycott, and in Athens yesterday a spokesman emphasised that while the Greek Government would not boycott Moscow, Premier Constantine Karamanlis would pursue his proposal that the Games return permanently to Greece.

"The main objective of holding the Olympics in Greece would be to de-commercialise and de-politicise them and to revive the true Olympic ideal of *communication and friendly* contact between nations," the spokesman said.

*In Washington, the Adminis*tration has set an informal deadline of mid-February, to coincide with the start of the Winter Olympics at Lake Placid, for deciding on the U.S. stance towards the Games.

On Thursday, the executive council of the AFL-CIO, America's most important labour organisation, intensified its call for a boycott, in order to deprive the Soviet Union of a "propaganda coup," but White *House sources admitted that* plans for a "Free World" Games were vague in the extreme

In Britain, the Prime Minister, Mrs. Thatcher, has said she favours moving the Games from Moscow, but Sir Ian Gilmour, the Lord Privy Seal, told the Commons that the Government had not decided whether to support calls for a boycott, and the Minister *of* State at the Foreign and Commonwealth Office, Mr. Douglas Hurd, declared: "It is not a matter for govenments; it is a matter for the sporting authorities and for the athletes themselves."

The *British Olympic* Association says that boycott speculation has made Britain's athletes more determined than ever to go and "put up a damn good show." Britain's Olympic effort is costing £1m, of which £500,000 has been raised. The rate of donations could slow down as commercial backers *shy away from the* Games, but there is virtually no political scope for the Government to apply financial, as opposed to moral, pressure on the British Olympic authorities.

There is not the slightest doubt that an extensive boycott of the Games would hurt the Soviets hard though according *to informed sources,* quoting a senior USSR propaganda expert, the Soviet Union apparently does not regard the threat of boycott seriously.

Work at the Olympic Village, comprising 18 16-storey buildings to house 12,000 athletes, is almost complete. The Village includes a disco and record *library, four* 1,000-seat dining halls and a cultural centre.

There is no agreement on how much construction of 99 separate Olympic sites (76 of them in Moscow) has cost the Russians. The Soviets say about 250m roubles (£176m) in soft currency, but Western estimates range up to 10 times higher.

Western *Olympic* attaches believe Olympic goods and services, including a new West German-designed terminal at Sheremetevo airport and the French-built Kosmos Hotel, could have cost $500m in hard currency.

Revenues from the Games are expected to total at least $250m for hotel accommodation and services, and another $100m for the broadcast rights. (The National Broadcasting Company (NBC) of the U.S. has insured itself against loss of Moscow television revenue. In the event of cancellation it would collect $40m from Lloyd's in London).

Even ordinary Soviet citizens understand that an Olympic boycott would anger and humiliate the Soviet authorities. The desire for respectability in the Soviet Union is frequently diagnosed in the West as an inferiority complex. But it *equally reflects* realistic awareness by officials of Western revulsion over the means by which the Soviet Union was built.

This is the third time running the Games have been used as a political punchbag. In Munich it was the terrorists, in Montreal the mass walk-out of *African states.*

The original Games at Olympia were protected by the proclamation of a sacred truce. The truce never stopped a war, but it prevented wars from disrupting the Games and ensured safe conduct for the thousands who travelled to Olympia. Unfortunately, harking *back* to the *ancient Games* produces bad history and poor arguments.

For the present, the modern Games have almost certainly outlived their usefulness.

2.3% growth in U.S. last year

By Jurek Martin, U.S. Editor

THE U.S. economy grew in real *terms by 2.3 per cent in 1979,* according to preliminary figures released yesterday by the Commerce Department.

The statistics, subject to later revision also revealed that in the final quarter of last year the gross national product expanded an an annual rate of 1.4 per cent after allowing for inflation.

Though apprecialy under the 3.1 per cent advance recorded *in the third quarter, this means* that the economy, contrary to almost universal expectations only six months ago, avoided falling into an actual recession.

The 2.3 per cent real growth for the full year is well under the 4.4 per cent expansion of 1978 and constitutes the worst performance since the recession year of 1975. Nevertheless, the four-year period of largely uninterrupted rise in output since *the 1974-75 recession is exceptional.*

Inflation, of course, worsened, in 1979. As measured by the GNP implicit price deflator, inflation ran at an estimated 8.8 per cent, versus 7.5 per cent in 1978, while the somewhat narrower calculation, the GNP fixed-weighted price index, *showed a 9.4 per cent advance,* up from 7.5 per cent the previous year. Consumer prices rose over 12 per cent in the year.

In the final quarter, the implicit price deflator rose at an annual rate of 8.7 per cent, slightly above the levels of the preceding three months but under the 9 per cent plus annual rate of the first half of the year.

The figures point once again to the resilience of the American consumer. The National Savings rate in the *final quarter fell to a meagre* 3.3 per cent as expenditure comfortably exceeded income.

There is, however, now a unanimity of private and public sector forecasting that even last year's medest rate of economic *expansion cannot continue.*

● Stewart Fleming writes: First National Bank of Chicago, which earlier in the week anounced a dramatic fall in its fourth quarter profits, yesterday increased its prime lending rate from 15 per cent to 15¼ *per cent, bringing* it into line again with the majority of U.S. commercial banks.

In New York yesterday, Citibank left its key lending rate at 15 per cent.

Japan will cooperate with Iran sanctions

BY OUR FOREIGN STAFF

THE UNITED STATES is to press ahead with wide-ranging economic sanctions against Iran within the next few days. The disclosure coincided with news that Japan will co-operate with the American plans.

Mr. Jody Powell, President Jimmy Carter's spokesman, *said yesterday that Iran was on* the verge almost of disintegration. "The economy is in shambles, the military in many ways non-existent and disorder and chaos increase every day," he said.

Eleven weeks after the capture of the U.S. embassy in Tehran, Iran made clear yesterday that it had not budged from its demands that the former Shah be returned along with his wealth. Only then would the hostages be released.

Mr. Sadeq Qotbzadeh, the Foreign Minister, also accused the U.S. of hindering the search for a solution by blocking the establishment of a UN commission to investigate charges against the Shah.

Mr. Qotbzadeh said he had reached agreement with Dr. Kurt Waldheim, the UN Secretary-General, during his recent visit over the setting up of such a commission. But "he hasn't done so yet and there's no more to be discussed."

As the deadlock persists, a U.S. official gave details yesterday of the embargo to be implemented unilaterally by the U.S. All items except food and medicines will be covered, as well as merchant vessels under American ownership.

However, no other Western country has yet spelt out exactly how it will support the U.S. action, despite public endorsements from Britain, West Germany and Japan—in the past Iran's *leading trade partners* together with the U.S.

A special U.S. envoy, Mr. Philip Habib, has been in Japan for two days of consultations on an appropriate Japanese response to both the Iranian situation and the Soviet military intervention in Afghanistan.

Although Japanese officials indicated that they would co-operate to "the utmost" with the U.S., they declined to disclose what measures Japan would consider taking against Iran.

On the other hand it is known that Japan is asking for a huge joint petrochemical project with Iran to be exempted from any sanctions. It is very wor*ried that Iran will make good* its threat to stop oil shipments in retaliation for sanctions or further problems with the unfinished plant.

In an Arabic-language broadcast by Tehran Radio yesterday monitored in Kuwait, Mr. Qotbzadeh said that the Iranian Government was "investigating *reports of a Soviet military* build-up along the Iranian-Soviet border."

China's Foreign Minister flies to Pakistan

BY OUR FOREIGN STAFF

MR. HUANG HUA, the Chinese Foreign Minister, was due in *Pakistan yesterday to show* Peking support following the Soviet intervention in Afghanistan.

China and Peking have a defence and arms pact and the Indian Press reports in New Delhi said China was pouring weapons into Pakistan over the Karakoram pass.

The Press Trust of India also reported that Pakistan had moved armoured forces to the *border with Afghanistan.*

China and the United States agreed last week on the need to strengthen Pakistan, and China also is reported to have decided to postpone the second round of Sino-Soviet talks aimed at reducing tension between the *two countries.*

The first round took place in Moscow last autumn. Though no date had been set for the second round, it was widely expected to take place late in February.

India has told China firmly that it is concerned about the introduction of arms to Pakistan. China is expected to offer light arms *to complement the modern* heavier armaments which Pakistan hopes to get from the U.S.

In Afghanistan itself, the Soviet Union has been deploying helicopter gunships to help Afghan Government troops attack guerrillas who had been threatening the main highway east from Kabul to Pakistan.

Guerrillas continue to report *that heavier fighting is in pro*gress in and around Badakshan province in the north-east of Afghanistan.

The U.S. Government is pressing ahead with reconsidering its role in the Moscow Olympic Games, having learnt this week that its European alies are only willing to join Washington's action in a limited way. White House staff were due yesterday to meet officials from the U.S. Olympic Committee, a private organisation, to discuss moves such as American athletes boycotting the games or choosing an alternative site for the games.

The U.S. is also planning further diplomatic moves in the *Indian subcontinent.* It is proposing to send Mr. Clark Clifford, a private lawyer who *has been in and out of past* Democratic administrations to see Mrs. Indira Gandhi, the Indian Prime Minister towards the end of this month.

Mr. Clifford's task will be to try and ensure that U.S. plans to aid Pakistan—which this week described a proposed $400m package of economic and military assistance as derisory—do not dangerously alienate Mrs. Gandhi. U.S.-Indian relations have also been snarled for some time on a dispute about nuclear fuel shipments.

E. German border guards 'ready to fight'

BY LESLIE COLITT IN BERLIN

EAST GERMAN border troops have pledged to increase their "combat readiness" in the light *of what a top* East German Communist official has called an increasingly grave international *situation.*

The East German border guards, some 40,000 elite *soldiers of the National People's* Army, said their "Soviet comrades in arms and class brothers with their combat experience" are being emulated.

The frontier troops opposite the *West* German state of Bavaria attended a "combat meeting" led by the commander of East Germany's border units, Gen. Klaus-Dieter Baumgarten, and the head of the East German Communist Youth Movement, Herr Egon Krenz, who is a candidate member of the Politburo.

East Germany's Communist Party newspaper, Neues Deutschland, reported yesterday that Herr Krenz told 1,000 *border guards. Soviet soldiers* and future East German frontier officers at an "enthusiastic" meeting in Plauen that the "international situation caused by American imperialism is increasingly grave."

He noted that the Young Communists among the border *soldiers would "do everything* in the future to resolve the world-wide class struggle in favour of Socialism."

Herr Krenz and the border commander attended a "tactical border exercise" in which a unit is said to have demonstrated "courage, endurance *and efficiency" on an incen*diary range.

Tito 'resisting amputation' of leg

BY ANTHONY ROBINSON

PRESIDENT TITO'S health continues to worry his eight-man medical team but no decision has yet been taken on whether to amputate his left leg. Yesterday's medical bulletin said that the circulatory and blood clot problem in his leg is getting worse but his general *state of health remains good.*

The 87-year-old President is reported to be depressed and has been told by his closest political colleagues that he must listen to medical advice as his continued presence is more necessary than ever at a time *of heightened international* tension.

Unofficial reports have indicated that President Tito is resisting medical advice that he should have his left leg amputated.

New summit may be needed on Palestinians

BY DAVID LENNON IN TEL AVIV

A NEW summit meeting between the leaders of Egypt, Israel and the U.S. may have to be held before agreement can be reached on Palestinian *autonomy in the occupied West* Bank and Gaza Strip, Prof. Yigael Yadin, the Deputy Prime Minister, said yesterday.

Negotiations between Egypt and Israel on the Palestinian problem are now deadlocked over the degree of independence which the Palestinians should be granted under autonomy. Egypt wants the proposed Palestinian Ruling Council to have full legislative and execu*tive powers, while Israel insists* it should have only administrative functions.

Prof. Yadin said that the current crisis did not mean a total breakdown of the talks, as crises were a normal part of the *negotiating process.* He accused the U.S. of making a dangerous mistake by linking progress on the Palestinian issue with a resolution of America's problems in the region in the wake of the upheavals in Iran and Afghanistan.

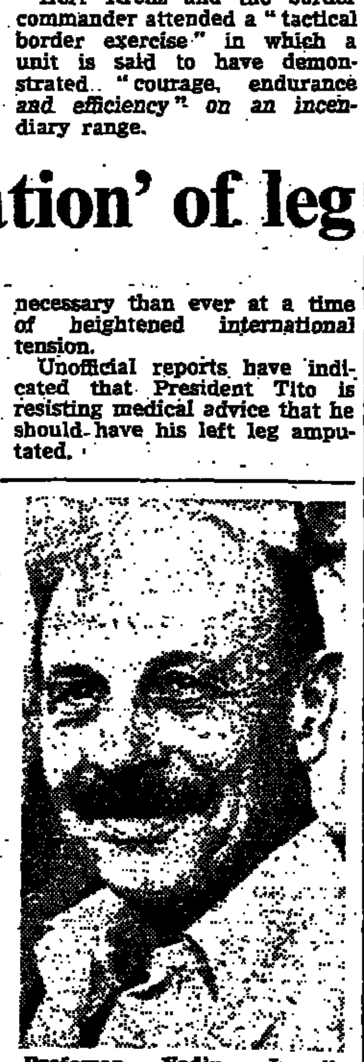
Earlier this week, American officials said that the best way *Israel* could help the U.S. in the U.S. in the current regional crisis was by reaching a speedy *resolution of the Palestinian* problem.

Dr. Joseph Burg, Israel's chief autonomy negotiator, said that these American remarks had been responsible for the Egyptian inflexibility in the autonomy negotiations in Cairo this week.

Ihsan Hijazi adds from Beirut: A statement issued here by an underground Palestinian guerrilla group claiming responsibility for the explosion at the Mount Royal Hotel in London on Thursday raised speculations that the "foreign operations branch" of the hardline Popular Front for the Liberation of Palestine may have been reactivated.

The statement by the May 15 Arab Organisation said the hotel was chosen because the Israeli intelligence organ Mossad maintained an office there and that Jewish emigrants gathered there before going to Israel.

The statement said the attack at the hotel was carried out by the Unit of Haj Fayez Jaber. Mr. Jaber was the man who hijacked the Air France airliner to Entebbe airport about four years ago. He was killed when Israeli commando forces attacked the airport and was known to have been close to the late Dr. Wadie Haddad, the *chief of the "Foreign Operations* Branch."



Professor Yadin, Israel's Deputy Prime Minister

Political truce in Italy 'over'

By Paul Betts in Rome

THE ITALIAN Socialist Party *(PSI) called for the forma*tion of an all-party emergency government including the Communists at the end of a stormy central committee meeting yesterday.

In a document approved by the majority, the Socialist Party declared that the current political truce in Italy *was now effectively over and* that it considered withdrawing its tacit support for the present minority Government of Sig. Francesco Cossiga. The Socialists, who hold the balance in the Italian parliament, have so pushed Italy a step nearer to a new government crisis.

The Socialist central committee said it would no longer tacitly support the current *minority Administration after* the ruling Christian Democrats national congress early next month. The Christian Democrats, the Socialists claimed, must clearly indicate at their congress which political formula they intend *to follow to give the country* a stable government. The *ruling party has so far re*jected proposals of direct Communist participation in *government.*

If both the Christian Democrats and the Socialists maintain their rigid *stand,* early elections appear once more to be the only alternative. But as all the country's political *forces are reluctant to plunge* again the country into another genral election, the main *parties are likely to postpone* a direct confrontation.

Norway awards drilling licences

By Fay Gjester in Oslo

NORWAY'S LABOUR Government yesterday awarded the first three licences to drill for oil and gas in Norwegian waters north of the 62nd parallel and confirmed its controversial decision to allow drilling activities to start this summer in the waters; which include important fishing grounds.

To back this up, the Government tabled a promised white paper on contingency planning against pollution and the organisation of offshore operations.

Drilling on all three blocks now awarded will start before May 15. Initially, drilling will be allowed only in summer and it is planned to drill two wells on each block during 1980.

The three blocks—one off Trøndelag county and two off Hammerfest — have been awarded to three groups of Norwegian and foreign oil *companies. Statoil, the state* oil company, has an initial stake of 50 per cent in each, with the right to increase this to 80 per cent, depending on the size of finds made.

A large section of the opposition favours further delay in starting the search for petroleum north of the *62nd* parallel, because of pollution risks. The Government believes, however, that the risk of a major spill has now been reduced to an "acceptable" level.

British lamb war claim left in limbo

BY JOHN WYLES IN BRUSSELS

BRITAIN'S demand for nearly £20m to cover costs allegedly *suffered in its "lamb war" with* France has been left in limbo for lack of a sponsor to take it to the European Court of Justice.

The European Commission said this week that it would not launch the suit on the UK's behalf, and it is now understood that the British Government has no intention for the present of doing so either.

British officials were surprised *and a little irritated,* when Mr. Finn Olav Gundelach, EEC Agricultural Commissioner, said he was *advised that there was* no basis in the Treaty of Rome for the Commission to pursue the case.

They claim it was all Mr. Gundelach's idea and that the announcement a week ago was at his suggestion. This was why, officials claim, Mr. Peter Walker, Britain's Minister of *Agriculture, specifically* asked Mr. Gundelach in a letter "to secure recovery of these costs for the UK through the *European Court."*

The UK does not want to spearhead the case itself now because it would give a truly Britain-versus-France dimension to a battle which until now has been fought on the basis of France illegally flouting Community rules.

Meanwhile, the UK has asked the Commission to apply to the court for an interim injunction to prevent France maintaining its restrictions *on* British lamb imports. This follows the Commission's move last Monday to *take France back to court for* non-compliance with a ruling in September that the ban is illegal.

Negotiations to settle the dispute are continuing and Mr. Walker and M. Pierre Mehaignerie, France's Agriculture Minister, are lunching with Mr. Gundelach on Monday before a meeting of the EEC's Agriculture Council.

Soames extends Rhodesia emergency by six months

SALISBURY—Lord Soames, the Rhodesian Governor, yesterday extended the state of emergency *in Rhodesia for six* months. A notice in the Government Gazette said Lord Soames signed a proclamation on January 11 extending the state of emergency until July 26, renewing sweeping powers of detention without trial, censorship and martial law.

The emergency has been in *effect since the last British* Governor, Sir Humphrey Gibbs, introduced it on November 5, 1965, six days before Mr. Ian Smith, the former Rhodesian Prime Minister, unilaterally declared independence from *Britain.*

Lord Soames' proclamation was made under the existing constitution, and the *emergency will automatically* be lifted on independence, expected in March, when a new constitution *will come into effert and it will* be up to an incoming Government to declare its own emergency if it wanted *to do so.*

The present state of emergency, which would have expired next Friday, was re-imposed by Bishop Abel Muzorewa, the outgoing Prime Minister, last year, but he ex*tended it for only six months* instead of the previous annual period in the hope that the guerrilla war *would subside.*

Most of Rhodesia's repressive legislation stems from emergency regulations and most of the black politicians contesting the February election have been detained at one time or *another* under the regulations.

McNamara to intervene in Lonrho dispute

BY PETER BRUCE

MR. ROBERT MCNAMARA, president of the World Bank, is likely to intervene in the dispute over an estimated £30m compensation between Lonrho, the London-based African industrial group, and the Tanzanian *Government, during his visit to* Tanzania which starts today.

President Julius Nyerere of Tanzania seized Lonrho's operations in Tanzania in June 1978, citing the group's activities in Rhodesia for his action. No compensation *has been paid* or offered and Mr. "Tiny" Rowland, Lonrho managing director, has appealed to the World Bank, the International Monetary Fund (IMF) and other aid donors to withhold credits from Tanzania until compensation has been *settled.*

Mr. Paul Spicer, a Lonrho director, said in London yesterday that the company had been in "constant contact" with the World Bank and the IMF over the dispute. He said he would be "surprised" *if* Mr. McNamara did not raise the issue with President Nyerere.

Lonrho planned to speak to Mr. McNamara in Nairobi, Kenya, yesterday before he flew to Dar es Salaam, and had also been in touch with *World Bank* headquarters in Washington

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UK NEWS

Belfast sports car launch date set

BY JOHN GRIFFITHS

THE NEW Belfast De Lorean DMC-12 sports car is to go on sale in the U.S. this autumn and will be launched on the European and UK markets by spring next year.

De Lorean Motor Cars, launched with £56m British Government aid, will produce its gull-winged car in its plant now nearing completion in a depressed area of West Belfast.

The DMC-12, a rear-engined two-seater with a glass-fibre reinforced plastic underbody, stainless steel backbone chasis and stainless steel outer panels —which are claimed to give the car a life of 25 years—is likely to make its European show debut in Geneva next spring, according to Mr. Charles "Chuck" Bennington, the company's president and managing director.

Two weeks ago Mr. Jonasson Kjellberg, former president of Saab U.S., joined the company as vice-president for international sales and marketing. It will be his task to develop European dealer networks, with priority going to West Germany, Britain and France, in that order.

Negotiations are understood to be starting with a number of possible franchising agents. The company hopes to acquire "ready-made" dealer networks, rather than adopt the dealer-by-dealer approach by which some 328 outlets out of a target of 400 have been set up in the U.S.

De Lorean claims it will reach an annual production rate of 30,000 cars per year by the end of next year and is also known to be investigating sales prospects in the Middle East. More than 3,000 cars are expected to have been built by the end of this year.

U.S. dealers have each been required to commit themselves to the forward purchase of 50-150 cars, as well as take up $25,000 of the common stock of De Lorean Motor Company of the U.S., the joint owner, with the Northern Ireland Development Agency. The cars will be sold directly to De Lorean Motor Company, which will then sell them to dealers.

Apart from paying back over £16m in Northern Ireland Department of Commerce loans, the Belfast company will be required to pay a royalty of $339 per car on the first 90,000 cars sold and $82 per car thereafter to the development agency, whose equity stake in the company amounts to $17.7m. The Belfast company is also receiving over £20m in direct grants.

In developing European networks, De Lorean still wants to persuade would-be outlets into taking a direct investment in the company.

Mr. Eugene Cafiero, former president of Chrysler and now president and chief executive of the De Lorean parent company, said: "Traditionally there has been adversity between maker and dealer. With investing dealers we have an unequalled opportunity to develop closer relations."

Construction work is going ahead quickly at the site in Dunmurry, an area bridging Protestant and Catholic communities. In the latter unemployment is running at about 30 per cent. The four main production buildings are close to completion and so far 63 production workers and 144 staff have been taken on.

A prototype has been shipped to the U.S. as a show car for a national dealers' convention next month. Meanwhile development of the production car is being completed by Lotus Cars at Norwich. Production is due to move from the existing training building to the assembly line in late spring, with manufacture starting in July.

When fully operative, the plant will employ some 2,000 workers.

Industrial activity picks up slightly

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRIAL production picked up in the late autumn after the end of the engineering strike, but only by a modest amount—output was still below the level of the early summer.

Central Statistical Office figures published yesterday show that the all-industries' index of production rose by 1.1 per cent to 113.5 (1975=100, seasonally adjusted) between October and November. This compares, however, with an average of 115.3 in the second quarter.

The official comment is that the figures up to November suggest that except for some growth in the energy sector, the underlying level of production changed little during 1979.

Industrial activity last year was affected by particularly adverse weather early in the year and by industrial disputes.

This has a big impact on a three-month comparison and largely explains a drop of 2.6 per cent in the all-industries index of output in the September-to-November period compared with the previous three months.

On a sectoral comparison engineering output was 5.7 per cent down over the period while metal manufacturing production was 5 per cent lower.

The figures are also affected because the comparable period in the summer still showed the benefits of the recovery from the bad weather and strikes of the winter.

Overall, the figures confirm the general picture of a sluggish level of industrial activity.

The Central Statistical Office points out that, on a longer-term comparison, the all-industries' index between September and November was about 2 per cent higher than in the same period a year earlier. A similar comparison for manufacturing shows a fall of 1 per cent.

Indeed, if North Sea oil and gas activities are excluded, industrial output was flat over the period.

INDUSTRIAL PRODUCTION

1975 = 100, seasonally adjusted

		AI	Manufacturing
1978	1st	106.9	102.3
	2nd	110.7	104.5
	3rd	111.4	104.9
	4th	110.4	103.3
1979	1st	109.6	102.1
	2nd	115.3	107.7
	3rd	113.1	103.1
	Aug	112.0	101.6
	Sept	110.9	100.0
	Oct	112.3	103.3
	Nov	113.5	104.7

Source: Central Statistical Office

Whitelaw prompted on TV-4

By Arthur Sandles

MR. WILLIAM WHITELAW, Home Secretary, is taking the the unusual step of allowing the Independent Broadcasting Authority to start the process of appointing new ITV contractors, and establishing the ground rules for the fourth television channel, before the necessary legislation is introduced in Parliament.

Delays in publication of the Bill setting up the channel—originally planned for last November—mean the IBA now has less than two years to advertise and award contracts, and give contractors time to begin operating.

Mr. Whitelaw said in a written reply yesterday that there was uncertainty in the independent television industry "and I have agreed with the IBA's chairman (Lady Plowden) that it will announce its plan for the future of the system on January 24."

This would be followed by invitations to groups to apply for contracts.

It is unlikely that the IBA will public its plans without close consultation with the Home Office, so what the IBA says will probably prove to be what is in the Bill.

Cuts 'need not hit standards'

BY IVOR OWEN

CUTS IN local authority spending should not automatically lead to a reduction in the standard of public services, Mr. Geoffrey Finsberg, Under-Secretary for the Environment, said in the Commons yesterday.

He repudiated "scare stories" predicting devastating consequences as the Government's drive to curtail public expenditure makes its impact on town halls.

A 2½ per cent reduction in spending by local authorities in 1980-81 would pose problems for councils, but no one could intelligently argue that it was an attack on "the fabric of public services," he said.

"The level of spending and the standard of services is not the same."

Mr. Finsberg was replying to an Opposition attack on the harmful effects of Government policies on Greater Manchester, led by Mr. Gerald Kaufman (Lab, Ardwick). The Minister attacked the Labour-controlled Manchester authority for approving unnecessary and wasteful expenditure.

He cited the building of an international ice-skating rink costing £14m, and the allocation of £10m for a museum complex.

It was because of the burdens imposed by this type of spending, said Finsberg, that many industries were moving away from urban areas.

In the course of a hard-hitting speech, Mr. Kaufman described one group of landlords in his Manchester constituency as a "gang of crooks."

Under challenge from the Tory benches, he named them as Halperns, and said they operated a hire-purchase mortgage scheme which was a scandal.

Pledge on police probes

MR. WILLIAM WHITELAW, the Home Secretary, pledged last night that there would be no cover-up of cases of police corruption or violence. Speaking at a meeting in his Penrith constituency, Cumbria, he said that allegations against the police would be investigated "thoroughly and with determination."

It was "entirely right that where public concern was justified, it should be answered." The police "as a whole" did a difficult job with skill and integrity public.

Aston Martin delays offer for MG

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE CONSORTIUM led by Aston Martin will not put in its offer for the MG sports car business until next week at the earliest.

Mr. Alan Curtis, joint managing director of Aston Martin, said yesterday that there were "still some matters to be settled" before the formal offer could be presented to BL, owner of the MG plant at Abingdon, Berks. He had been in touch with BL about the delay.

Mr. Curtis would give no details of the issues to be resolved.

Work on the offer has been delayed because Mr. John Symonds, also a joint managing director of Aston Martin, was injured in a car accident in October and was away from work until early this year.

Indications are that the consortium will make an offer for the whole MG business, including the Abingdon plant.

So far BL has hinted that it might allow MGs to be made under licence, but that the Abingdon plant would play a vital part in the present rationalisation of the group's plants and operations.

Merryweather moves factory to S. Wales

BY ROBIN REEVES, WELSH CORRESPONDENT

MERRYWEATHER and Sons, the fire engine manufacturing subsidiary of the Siebe Gorman holding group, will transfer its operations from Greenwich, London, to Ebbw Vale, South Wales.

The company will take over a 50,000 sq ft Welsh Development Agency advance factory on the Rassau industrial estate, which was built following the drastic rundown of steelmaking at the British Steel Corporation Ebbw Vale works.

The move from London, where the company was first established as early as 1692, soon after the Great Fire, will be phased. When completed, the Ebbw Vale factory will manufacture a full range of fire detection and protection equipment—from airfield tenders to telescopic turntable ladders—for both the home and export markets. The labour force will be built up to about 500 in the next five years.

Mr. Geoff Bowden, deputy chairman of Merryweather, said it had decided to move to Ebbw Vale principally for three reasons. The company's three-storey building at Greenwich was 100 years old, and no longer suitable for expansion of high technology vehicle production. The Welsh agency would offer a good factory with potential for growth.

Merryweather had also experienced difficulty in recruiting local young people in Greenwich—the average workforce age was 55—whereas in Ebbw Vale the skills required—hydraulic, mechanical and electrical disciplines—were akin to those in the steel industry.

Lastly, was the desire to consolidate the management of the company's safety, survival and fire engineering division, which incorporates the Siebe Gorman factory at nearby Cwmbran, Merryweather, and John Morris and Sons of Cheshire. The division's headquarters will in future be at Cwmbran.

Motorvation winding-up sought

BY OUR MOTOR INDUSTRY CORRESPONDENT

A WINDING-UP petition for Motorvation Guarantees, a motor vehicle warranty business based at Sutton-in-Ashfield, Notts., and later in Leeds, has been presented by the Secretary for Trade under Section 35 of the Companies Act, 1967.

The petition will be heard by the companies court on February 11.

The Department of Trade said yesterday: "It is important that dealers who may be considering offering these warranties should be aware of this action."

Former William Press manager to testify

MR. ALEC AYLIFFE, former internal audit manager of William Press and Son, said by the prosecution to have exposed the payment of tax-free wages to employees through sham labour-only sub-contracting firms in Scotland, will be the first witness called in the Inland Revenue case against the giant engineering and construction group next Monday.

Mrs. Barbara Mills, prosecuting, has told Bow Street magistrate Mr. Jeremy Connor, sitting at Caxton Hall, that Mr. Ayliffe was made redundant by William Press in 1976.

He disputed the decision and stated in a letter to the company: "My dismissal is the culmination of a vindictive vendetta following my discovery of irregularities in the labour-only sub-contracts in Scotland."

Shortly before Mr. Ayliffe's application for unfair dismissal compensation was due to be heard by an industrial tribunal, the company agreed to settle his claim for £5,200.

The company and 11 executives, including the managing director and finance director, are charged with conspiracy to defraud the Inland Revenue.

Two other men are accused of false accounting.

Mrs. Mills said today—the fifth day of the hearing—that she expected committal proceedings to last another three weeks.

Today's hearing was taken up with the formal business of making full and conditional witness orders if the case should go for trial at the Old Bailey.

The case was adjourned until next Monday.

Radio station contract offer

APPLICATIONS for the independent local radio services contract for Southend/Chelmsford are invited by the Independent Broadcasting Authority. The closing date is Thursday, March 27.

The area will be served by two pairs of transmitters (VHF and medium wave).

UK NEWS

Call to make council accounts more informative

BY ROBIN PAULEY

A CALL for substantial changes in local authority accounts to enable ratepapers to obtain useful information from them was made yesterday by the Institute of Chartered Accountants in England and Wales.

The institute is responding to a Department of the Environment consultation document. Some of its recommendations may be covered by the new Local Government Planning and Land Bill, which will be introduced into the Commons on Wednesday. It will contain measures on publication of financial information by local authorities.

The statement urges standardisation of accounting practices to bring local authorities under the same rules as limited companies, which are subject to the Companies Act.

Local authorities are not required to present "true and fair" accounts. The institute says they should conform to this concept, disclosing past capital expenditure and changes in handling reserves in the accounts.

Most authorities provide no analysis of past capital expenditure. Ratepayers cannot therefore identify the amounts spent on council houses, roads, schools or other assets.

Authorities may charge various items of expenditure directly against reserves, with the result that it is difficult to discover the actual total expenditure during a year.

"So many different categories of reserves appear, some specific and some general, that it is often extremely difficult to get a clear picture.

"Sometimes there is an 'other balances' item which makes it virtually hopeless for ratepayers to analyse what is happening," said Mr. Anthony Pinkney, chairman of the institute's parliamentary and law local government finance committee.

The institute is anxious that two sets of accounting standards, one for commercial companies and one for local authorities, should not develop.

The Chartered Institute of Public Finance and Accountancy agrees with some of the institute's points for standardisation, but is known to feel that the two sorts of account are so fundamentally different that comparisons are not always useful.

It does agree that local authorities should have to publish the abstract of accounts within six months of the financial year end. At present there is no time limit.

Private companies are subject to a statutory time limit of 10 months, public companies seven months and the Stock Exchange requires all listed companies to publish within six months.

Mr. Noel Hepworth, director of the chartered institute, said last night that to make local authorities subject to the provisions of the Companies Act was inappropirate because local authorities were not profit-making organisations.

It was most unfair to suggest that local authorities did not conform to the "true and fair" principle.

"In fact the Department of Environment code of practice requirements for the audit of public funds financed by compulsory levy are wider than those applicable to the audit of commercial undertakings," he said.

The method of preparing and presenting local authority accounts, which varies from excellent to poor, should be simplified, say the chartered accountants.

Ratepayers should then receive clear, simple information with the rate demand explaining the budgeted expenditure and income for the coming year. There should also be a comparison of estimated and actual expenditure for the previous year, with an explanation of the difference, by the council chairman.

Abstracts of accounts, in a new simplified understandable form should be available for ratepayers to inspect. They should have a clear, concise summary of the authority's consolidated accounts with comparative figures for the previous year.

Detailed income and expenditure accounts for each service—education, social services, etc—should be given, with relevant information about unit costs and manpower.

The institute feels strongly that the principle of publishing unaudited accounts is wrong and should cease.

Local authority accounts are often published before they have been audited because they all have the same financial year end, March 31, and the district audit service cannot complete all the audits in time.

BNOC may face oil price rise challenge

BY RAY DAFTER, ENERGY EDITOR

A BIG MAJORITY of North Sea oil producers are expected to co-operate with the Government and British National Oil Corporation in their policy of price moderation.

But it was clear last night that BNOC may face a serious challenge from a few small, independent companies which regard the proposed $29.75 a barrel reference price for North Sea oil as too low.

London and Scottish Marine Oil (LASMO) and Tricentrol, two UK-based independent groups, claimed that the state corporation was attempting to set British prices well below international market levels. LASMO said the reference level, based on the price of Forties Field crude oil, should be between $32 and $33 a barrel, while Trincentrol put the market value at between $32 and $34 a barrel.

Some companies which have been pressing for prices more in line with those charged by Algeria and Libya—among them Amerada Hess—are expected to settle for $29.75, albeit somewhat reluctantly.

Although BNOC had asked for responses from the rest of the North Sea industry by last night, it could be several more days before the issue is finally settled. All the companies, including BNOC and the so-called pricing hawks, are hoping to negotiate a settlement without recourse to an outside referee. But it is possible that designated pricing experts will be called in to fix a price for those companies still unhappy with the $29.75 reference.

The more hawkish companies in the North Sea are unhappy that the Government has exerted pressure on BNOC to fix moderate prices.

Larger, integrated companies are happy to accept the proposed level because they use North Sea oil in their refineries. British Petroleum has already confirmed its acceptance of $29.75, which was fixed to maintain the established differential with Nigeria (now charging just under $30 a barrel for oil comparable to that produced in the North Sea). Other major groups, such as Shell, Esso and Mobil, are also expected to accept BNOC's proposals.

LATEST WORLD OIL PRICES

Producer	1979 Average Production (b/d)	Crude Oil Type	Price per barrel)
Saudi Arabia	9.25m	Arabian Light 34 deg. API	$24.00
Iran	2.9m	Light 34 deg. API	$28.50
Kuwait	2.2m	31 deg. API	$25.50
Iraq	3.37m	Basrah Light 35 deg. API	$25.96
Abu Dhabi	1.45m	Umm Shaif 37 deg. API	$27.36
Indonesia	1.6m	Sumatran Light 34 deg. API	$27.50
Venezuela	2.33m	Oficina 34 deg. API	$28.75
Algeria	1.24m	Zarzaitine 41 deg. API	*$33.00
Libya	2.05m	Zueitina 41 deg. API	$34.72**
Nigeria	2.37m	Bonny Light 37 deg. API	$29.99
United Kingdom	15.7m	Forties 36.6 deg. API	***$29.75

Note: *Includes $3.00 per barrel exploration fee.
**Includes $1.72 per barrel retroactivity charge until March 31, 1980.
***Proposed by British National Oil Corportaion; already implemented by British Petroleum, operator of the Forties Field.
API: American Petroleum Institute.
Source: Oil & Gas Journal, Petroleum Intelligence Weekly, and industry estimates

Welsh bid to oppose nuclear waste plan

THE WELSH nationalist party, Plaid Cymru, and Pandora, a Vales anti-nuclear group, are to meet in Dolgellau today to co-ordinate opposition to a Government plan to test-drill for the storage of nuclear waste in the area.

The Government announced this week that surveys are to be carried out by the Environment Research Council in four areas—part of North Wales, Notts, Hereford and Worcester, and Somerset. The investigations will include surface surveys and the drilling of test boreholes.

Mr. Dafydd Elis Thomas, Plaid Cymru MP for Merioneth, said his party would be opposing the investigation at all stages. "If geologists trespass on farmers' land, they will be provoking confrontation," he said.

Test drilling will require planning permission and the holding of public inquiries if, as seems possible, this is refused by local authorities involved.

Pandora—Powys Against Nuclear Dumping on Rural Areas—claimed that since the Boxing Day earthquake in Scotland, the Galloway Hills had been abandoned as the Government's first choice for storing nuclear waste.

No magic mechanism for money controls, warns Lawson

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A WARNING against building up excessive expectations about the impact of possible changes in the system of monetary control was given last night by Mr. Nigel Lawson, the Financial Secretary to the Treasury.

Mr. Lawson's comments—to the annual dinner of the coal, corn and rates finance committee of the City of London—come as final drafting work is completed on the joint Treasury and Bank of England consultative paper on monetary control.

After meetings last week between senior officials and Mr. Lawson, it looks likely that the paper will be published early next month. It is expected to favour ending the corset controls on the growth of the banks' operations, and a change to some form of more direct control on the monetary base of the banking system.

Mr. Lawson was noncommittal on this last night, though he drew attention to the "vociferous and repeated demands' for new mechanisms to "control money more consistently and effectively."

He said it was possible to lose sight of essentials. "First, siren voices are prone to suggest that there can be some magic mechanism which will enable us to achieve the control we want simply, and above all painlessly—in particular without the risk of high interest rates. These voices are wrong."

Mr. Lawson pointed out: "The experts themselves, authors of a variety of alternative schemes, make no such claims; their concern is primarily with prompter and more certain adjustment to correct any divergencies from the required path, but in essence using the market mechanism of interest rates.

Second, short-term variations in the money supply do not destroy—they need not even weaken—the effectiveness of monetary control. Nobody claim that the effect of money supply on inflation depends on the precise figures from month to month. The essence of the process is sustained medium-term control."

Thirdly, he said: "The essence of medium-term control is the size and nature of Government borrowing, our ability to finance it by sales of gilts and other public sector debt outside the banking system, and the slow but inexorable response of bank lending to interest rates."

● Mr. Andrew Britton will take over the economic analysis and forecasting job in the Treasury held by Mr. Peter Middleton, who has been promoted to be Deputy Secretary responsible for fiscal and monetary policy.

Mr. Britton, 39, will become an Under Secretary. He will advise on overseas and home finance and be responsible for producing domestic monetary and capital account forecasts.

Tax incentive planned for public sector sale

BY IVOR OWEN

NEW MOVES by the Government to provide a greater incentive to private-sector interests to acquire a stake in the three public corporations being partially de-nationalised were announced in the Commons yesterday.

Mr. Nigel Lawson, Financial Secretary to the Treasury, made clear that companies which bought an interest in British Aerospace, British Airways and the National Freight Corporation would secure the same tax treatment as if the three organisations had always enjoyed public company status.

He told Mr. Neil Thorne (C, Ilford South): "I think it right that the tax arrangements should be such as to leave the successor companies in effectively the same position as if they had in the first instance been normal companies rather than statutory corporations.

"I therefore propose to introduce legislation to correct certain disadvantages which would otherwise arise merely because the nationalised industries do not already have the legal form of Companies Act companies."

Atkins rules out early vote on death penalty

HARSHER PENALTIES for terrorists, including the reintroduction of capital punishment, were again demanded in the Commons yesterday following the explosion of an incendiary bomb which killed three people on a Belfast commuter train on Thursday, writes Ivor Owen.

In a cautious response, Mr. Humphrey Atkins, Northern Ireland secretary, stressed that since the Commons decided only recently—on a free vote—against bringing back the death penalty, there was little likelihood of the issue being reopened in the near future.

He was equally guarded when pressed to revert to the use of detention without trial and to sanction less inhibited interrogation procedures against terrorist suspects.

Mr. Winston Churchill (C. Stretford) was loudly cheered when he maintained that the overwhelming majority of the people in Britain believed that the death penalty should be used against terrorists. The reintroduction of detention without trial was urged by Mr. John Biggs-Davison (C. Epping Forest), who wanted it used on a selective basis and if possible on both sides of the border.

When the Rev. Ian Paisley (DUP, Antrim North) argued that the battle aginst terrorism should be taken into IRA territory, Mr. Atkins assured him that the role of the security forces was not confined to reacting to terrorist initiatives.

Banking fees 'were not verified by accountants'

MERCHANT banking fees of over £800,000 had been included in the 1973 accounts of London and County Securities, although they had not been earned by the company, it was alleged in the High Court yesterday.

Nor had the fees been forecast in the months preceding the accounts, said Mr. Donald Nicholls, QC.

The disputed fees—£844,795 out of a total of £962,000—had come from four companies closely related to London and County Securities, he told Mr. Justice Browne-Wilkinson.

London and County Securities (A and D), its holding company, London and County Securities Group (L and C), and nine other companies in the group are seeking damages for alleged professional negligence against the accountants who audited the 1973 accounts of A and D, and L and C.

The defendants, who deny negligence, are the 29 partners in Harmood, Banner, now part of Deloitte Haskins and Sells.

In their claim the London and County companies allege that Harmood, Banner accepted the inclusion of the fees in A and D's accounts without verifying that they had been earned and were proper to be credited to the company's profit and loss account.

The hearing continues on Monday.

LABOUR

Dockers' unions intervene as craftsmen strike

BY GARETH GRIFFITHS, LABOUR STAFF

NATIONAL UNION officials intervened yesterday in an attempt to prevent a strike by British Transport Docks Board craftsmen spreading across its 19 ports. Workers in the South Wales ports went on unofficial strike yesterday over the introduction of a new grading scheme for the board's 3,900 manual workers.

Work at Newport Docks was halted when electricians and engineers failed to turn up to open the docks' lock gates. A shipload of Japanese cars for the British market was diverted to Rotterdam and a Finnish ship, with a cargo of timber was also held up.

Cardiff, Barry and Swansea were also hit by the strike. The craftsmen are annoyed at the regrading system, which came into effect last week. They said the new scheme which replaces the five existing grades with four grades will lead to a serious erosion of differentials. The craftsmen are all in British Transport Docks Board's top grade.

Officials from the four unions involved, the National Union of Railwaymen, the Transport and General Workers' Union, the Electrical and Plumbing Trades Union and the Union of Construction, Allied Trades and Technicians yesterday met the craftsmen. Talks between the unions and the board's management were held on Thursday in an attempt to resolve the problems.

Craftsmen at the Humberside ports are due to meet next week to discuss their attitude to the new work scheme. The board said last night it was hopeful the introduction of the scheme would not lead to industrial disputes in the rest of its 19 ports.

● The Stevedores and Dockers' Union yesterday rejected a pay offer from the London enclosed docks employers worth 12 per cent. A mass meeting of dockers called for industrial action in the docks.

The union has about 1,000 members in the enclosed docks and has tabled a claim worth about 30 per cent, with a reopener clause tied to the Retail Price Index and a claim for an extra week's holiday to bring the annual entitlement to five weeks.

Dockers who are members of the TGWU, which has about 3,500 members in the enclosed docks, went on unofficial strike on Tuesday in the first of what could be a series of lightning stoppages.

Maharishi bid for Meccano to be studied

By Our Labour Staff

AIRFIX INDUSTRIES and the unions representing the workforce at the Meccano plant in Liverpool have agreed to set up a team to explore the possibilities of a third party taking over the factory, following a meeting yesterday.

The working party will examine the attempt by the Maharishi Mahesh Yogi of the Transcendental Meditation movement to take over the factory to test his theories about industrial peace through meditation. The Maharishi is believed to have approached the National Enterprise Board about partial funding to buy the factory.

The meeting of the joint working party next week marks a decided shift away from the confrontation of the two sides when the closure was announced in December.

At that time Airfix Industries accused the workforce of poor industrial discipline and being unmanageable. Trade unionists alleged that the closure was part of a plan by Airfix to shift toy production to the Far East.

The Transcendental Meditation movement has said it will take at least three weeks to finalise details of its offer. If the deal goes ahead, it could mean that the Meccano toys will be made in Liverpool with a switch in production to micro-electronics. Airfix Industries would continue marketing the products.

Union negotiators did not comment on yesterday's meeting. They have been pressing the company to include the time the plant has been occupied since December as part of the 90 days' statutory notice. The company's disregard of the statutory notice period caused Government protest at the time of the closure and a Department of Employment investigation.

Robinson inquiry completed

THE THREE-MAN Amalgamated Union of Engineering Workers' team inquiring into the dismissal of Mr. Derek Robinson, the BL Longbridge convener, finished listening to evidence yesterday.

But Mr. Gerry Russell, inquiry chairman, said: "If, when we go through the hundreds of pages of evidence, we feel the need to go back for a further meeting with anyone, we shall do so."

Mr. Russell said the inquiry team hoped to put its findings to the union's executive at the end of January or the first week in February. The panel will meet the 26-man West Birmingham District Committee of the AUEW next Wednesday.

Mr. Robinson was dismissed from Longbridge in November for his part in the publication of a booklet attacking BL's streamlining proposals. If the executive decides he was unfairly dismissed it will have to consider action in support of a demand for his reinstatement.

Mr. Robinson attended yesterday's inquiry hearing and said afterwards: "We have submited our evidence and it has proved, in our view, that there is no case to answer."

Half-day strike by teachers

MORE than 2,000 teachers in Nottinghamshire are to go ahead with a half-day strike next Wednesday in protest against the suspension of a colleague. Talks yesterday between the National Union of Teachers and county education officials failed to resolve the dispute.

Mrs. Eileen Crosbie, a nursery teacher at the Robert Mellors primary school in Arnold, Notts, was suspended for refusing to supervise her unit after her staff of full-time helpers was cut. Seven teachers at the school are already on strike in support of Mrs. Crosbie.

The local education authority said yesterday that it would discuss Mrs. Crosbie's case only if the NUT called off its action. The union refused.

Trouble-free day at steel warehouses

BY MAURICE SAMUELSON

PICKETING of privately-owned steel warehouses eased off yesterday, in contrast with the spate of violent incidents reported on Wednesday. The National Association of Steel Stockholders received no new reports of trouble from any of its 264 members.

GKN Steelstock said that nearly all its 31 warehouses were trouble-free. The exception was at Rutherglen, in Scotland.

Steel union leaders also agreed yesterday to withdraw pickets from a Metal Box canning factory at Neath, Glamorgan, where no steel has moved in or out for two weeks. Local union officials had feared that the factory could be forced to close.

In Sheffield, production of steel was continuing normally at Dunford Hadfield, the private concern which last week warned that picketing could lead to closure.

Industrial action by 120 members of the National Union of Blastfurnacemen will today force the BSC's Stanton works, at Ilkeston, Derbyshire, to lay off 950 of its 4,000-strong workforce. The blastfurnacemen's action has resulted in the closure of the central melting plant and distribution of metal has been made impossible, the company said.

The International Steel Trade Association, part of the London Chamber of Commerce and Industry, yesterday urged unions to ease restrictions on the movement of certain materials.

In a message to Mr. Len Murray, TUC secretary, the association said it saw no justification in preventing material already rolled by manufacturers from being allowed to reach the docks for export.

"This can in no way weaken the position of the union, while at the same time preserving vital export markets which would otherwise be lost." In addition, the association asked the unions to allow the despatch and delivery of material which was in stock or ordered months ago.

THE WEEK IN THE MARKETS

Excitement, but little fundamental change

LONDON

ONLOOKER

Apart from Thursday, when there was a pause for consolidation, this has been another remarkable week for the London market. Equities have put on nearly 30 points, as measured by the FT 30-Share Index, and long gilts have added another two points or more to their sharp gains of the previous week.

Foregin interest in gilt-edged has remained substantial with strong sterling as a witness. Meanwhile, fund managers have been alarmed at the prospect of missing out on a substantial rise and have been chasing prices higher. There has been a persistent stock shortage in equities, and the gilt-edged market was temporarily untapped, until yesterday afternoon.

For all this excitement, though, the fundamentals have changed very little. Some of the week's news—the average earnings figures, in particular, has been downright alarming for both sectors of the market. And Thursday's money supply figures for December, although satisfactory, are probably not representative of a trend; in the January banking month, just ended, sales of gilt-edged will have kept the money supply down but bank lending has probably remained buoyant.

Draught excluders

Two major hotel and leisure groups that were sorely tried in the 1974-75 recession last week produced figures that tend to establish that, whoever else is vulnerable to the coming recession, they are now well insulated against the draughts.

Both Trusthouse Forte and Grand Metropolitan produced pre-tax profits growth well above the rate of inflation in the year to autumn, at 23 and 20 per cent respectively. Yet they both had to contend with a host of unfavourable factors.

Among these were a foul winter, national strikes, unfavourable exchange rates, the increase in VAT and higher inflation. The hotel and catering industry was especially vulnerable to the recurrent petrol scares (especially in the U.S.), to the sharp drop in the American tourist's purchasing power and to the grounding of the world's DC10 fleet in the peak summer months.

Both groups' London hotel results were hit. But both had enough resilience elsewhere to absorb the decline. *Provincial* hotels put in a strong performance for THF, while Grand Met, whose hotels are concentrated in London, saw good growth in its wine and spirits division, casinos and chilled food distribution, where past investment is now paying off handsomely.

From the market's point of view, the transformation of the balance sheets of the two groups over the last few years has been just as important as the establishment of a stable profits base.

THF was one of the worst sufferers in the early 70s bear market, with the share price falling from 264p to 38½p, and worries about high gearing and overseas borrowings were a major cause of the drop. In contrast, by the end of 1979 the group had net liquid funds of £60m-plus—comfortably above its marketed-related debt—and *is now insulated against high* UK interest rates.

Grand Met, which was in much greater difficulties in the mid-seventies with debt standing at 200 per cent, and more, *of tangible shareholders' funds,* has seen an even sharper turnround. Helped by a £78m rights issue and £72m retained profits last year, the debt ratio moved down from 66 per cent to 42 per cent.

Bitter sweet

Tate and Lyle has pulled its socks up but the City's report card for the year ended September 30 is still saying "could do better." Whether or not Mr. Cube gets a chance to show its paces in the current year, however, depends to a very great extent on the EEC's forthcoming decision on the Community's sugar production quotas.

The group has already cut back heavily on refining capacity and the result was a useful profit recovery in this area from £1.1m to £6.9m but this was not enough to stem the overallfall in overall trading profits from £36.4m to £30.1m. The downturn can largely be attributed to the effect of a flat market for raw sugar which was responsible for a £6.4m shortfall in commodity profits at £18m.

Exceptional items come through as a net credit of £7.7m to leave annual profits, before tax, ahead at £26.2m after £24.6m. More importantly, there are tentative signs that Tate can improve further without the help of exceptional items.

Commodity prices are pushing ahead quickly, although there had been a discernible slackening of the rate of recent advance during the week, and there are signs that the com*petitive pressure on margins in* U.S. sugar operations and Manbré and Garton's starch production have begun to ease.

But the ball still lies in the court of the new EEC sugar regime. Lord Jellicoe, Tate and Lyle chairman, warned during the week that the group would be forced to reduce its UK refining capacity by a further 300,000 tonnes if the major beet sugar producer, British Sugar Corporation is allowed to complete its expansion plans. "I don't relish the idea of any more refinery closures," he added.

Thec rucial decision may not be made until the middle of the summer and judgment as to whether the cane sugar producer can reasonably expect to start the long slog to full recovery (profits reached £52.5m in 1976) must be suspended until the EEC's pronouncement is made.

All that can be said for the moment is that borrowings have been reduced from £115m to £98m and there should e be a good long term future for the group's technical developments in sugar-based petrol and chemical products.

Forecasts for the current year may vary widely but it should not be forgotten that the group suffered an attributable loss of £4.4m on a current cost basis and must rely on higher cane imports and further sugar market strength if the upturn is to be properly founded.

Milk teeth

The toy trade is still reeling from the shock news earlier this week that Lesney Products, the largest employer in the industry, is to make about 20 per cent of its workforce redundant. The announcement, which follows similar, though less sweeping, rationalisation elsewhere in the industry, coincided with the Harrogate toy fair where, wth only cautious optimism, all the major toy manufacturing were touting their new product ranges.

If they were looking for some relief from the difficult trading conditions of the past 12 months, they were disappointed. Big buyers were few and far between, emphasising the testing time that the industry is facing. Weak demand, especially in overseas markets, is resulting in an uncomfortable build-up of stocks at a time when interest rates have never been higher.

The chief villain is the strong pound, making exports more expensive and imports more competitive. In Lesney's case, the position is particularly acute since more than 40 per cent of group sales normally originate abroad.

For example, the unfavourable exchange rate has added an extra 30 per cent to the retail selling price of Matchbox die-cast model cars in the U.S., the destination of roughly three-quarters of all production. Similar handicaps are evident elsewhere—on all products.

Against the background of a disappointing time at Harrogate, toy manufacturers will have the chance to test the market once again at next week's important Fair at Earl's Court. The view is, however, that wholesalers *and retailers will postpone their* orders until much later in the year.

Competing copiers

The last few years have proved tough for Gestetner, with competitors pushing the pace in new technology in the reprographic market. Between 1974 and 1978 pre-tax profits grew from £19.2m to £26.1m, a compound annual rate of growth of only 8 per cent—well below the rate of inflation. In the year to November, 1979, profits fell back by £7m, as trading margins were squeezed by a quarter.

The immediate reason for the 1979 decline was the strength of sterling, and with the pound still firm, the pressure remains on the company.

The company says it is confident that the introduction of more advanced copying equipment will enable it to grow. But there must be doubts over whether the new products will be fully competitve in price and technology by the time they enter the market.

Against this background the halving of the share price over the last 12 months is not surprising. The fully-taxed p/e is now under 5 and the yield on the "A" shares is well covered at above 7 per cent.

MARKET HIGHLIGHTS OF THE WEEK

	Price yesterday	Change on week	1979/80 High	1979/80 Low	
F.T. Ind. Ord. Index	459.8	+24.6	558.6	406.3	Widespread demand
Gold Mines Index	360.4	+65.5	360.4	129.9	Soaring gold price.
War Loan 3½%	£33½	+ 2¼	£35⅝	£27⅛	Persistent Swiss buying
BP	354	+24	406	220½	*Iranian oil cut threat*
Castlefield	425	+95	425	230	Possible sale fo Castlefield Estate
Cons. Gold Fields	478	+42	482	178	Bullion price/bid talk
Coronation Syndicate	420	+140	420	97	Firm gold/copper
House of Fraser	141	+33	167	104	Rumours about Lonrho stake
Kitchen Queen	27	− 7	60½	24	Chairman resigns/bleak statement
Lesney Products	27	+ 4	89	27	Profits warning, rationalisation moves
Lonrho	109	+23	109	62	Press comment
Midland Bank	360	+28	455	314	Buying ahead of dividend season
Mount Lyell	100	+36	100	30	Firmness of copper
Muirhead	236	−34	303	200	Selling ahead of results
Royco	48	+ 9	54	16	Bid of 50p from Bonnerpark
Siebens (UK)	566	+108	549	190	Fresh speculative demand
Sketchley	234	+23	234	143	Press comment
Stakis (Reo.)	57	+12	63	39	Good results
Trusthouse Forte	160	+17	198	127	Increased profits and div.
Turner & Newall	140	+15	176	108	Jump in N.A.V. of Rhodesian subs.

U.K. INDICES

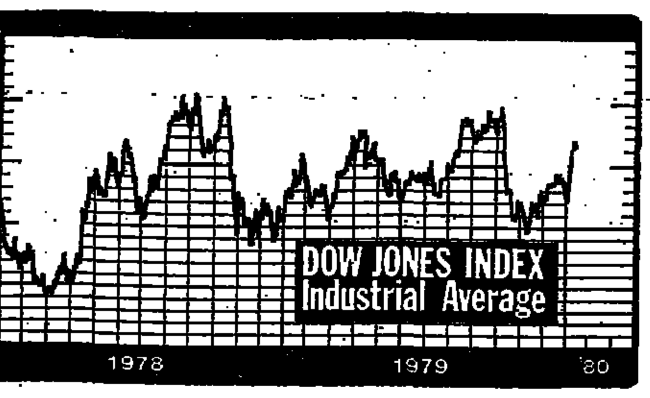
FINANCIAL TIMES

Average week to	Jan. 18	Jan. 11	Jan. 4
Govt. Secs.	68.25	65.67	64.82
Fixed Int.	68.63	66.54	65.73
Indust. Ord.	450.7	425.0	410.5
Gold Mines	342.6	281.5	285.1
T'd bargains	26,905	20,503	16,789

FT ACTUARIES

Capital Gds.	226.76	215.98	210.97
Consumer (Durable)	206.28	197.42	187.87
Cons. (Non-Durable)	221.77	208.99	202.11
Inds. Group	223.39	211.97	205.80
500-Share	261.58	248.58	243.80
Financial Gp	189.91	180.83	178.76
All-Share	244.05	231.61	227.45
Red. Debs.	50.09	49.26	49.30

Wall Street's week of running on the spot



NEW YORK

DAVID LASCELLES

THE STOCK market tried very hard this week, but it turned out to be running on the spot most of the time. The turnover was huge (on Wednesday it notched up the second highest volume ever) but the market indicators scarcely moved at all: in fact the bell on Thursday found the Dow Jones Industrial Average at exactly the same spot as Monday, a rare coincidence.

It was all something of a disappointment for investors after the previous week's record turnover, and strong 30 point advance in the Dow, based mainly on news that the economy is still showing remarkable strength at a time when it is supposed to be plunging into recession.

The reason for all the activity was clear enough: the Afghanistan and Iranian crises combined with the fever in the gold markets to impel most investors to do something about their portfolios. But the relative lack of movement in the Dow is harder to explain.

In the first part of the week there was clearly a continuation of the rush for defence-related stocks: the big aircraft companies, the military equipment makers, even steel despite the fact that the military establishment's steel consumption is only a minute fraction of the total. Large gainers included Boeing, General Dynamics and U.S. Tteel. The precious metal producer also surged ahead.

The star stock was Benguet Consolidated, a gold producer, which topped the actives on Monday and gained 25 per cent. However, these gains were not fully reflected in the Dow. In fact several of the major Dow constituents lost out as investors switched to the glamour issues of the moment.

But a change of mood set in by mid-week: the profit-takers decided the time had come to cash in on the gains of the previous 10 days, and several volume leaders shed a few points.

In fact, for a while there was the curious sight of precious metals stocks actually declining while the price of gold and silver continued on a giddy upward spiral. Benguet shed all of its gains on Tuesday and Wednesday.

But this did not last long. By the end of the week, precious metal stocks had picked up again, along with shares in oil companies with a relatively low dependence on Middle East supplies: Sohio, Atlantic Richfield, Phillips Petroleum. Weakening issues included the electronics and computer companies, chemicals and retail stores.

Brokers noted that all types of investors were in the market: individuals, institutions. Some also noted that a lot of the buying had come from Europe, presumably on fears of what the Afghan crisis meant for the London and Continental markets.

A couple of special situations caught the eye. One was Schering-Plough, the large pharmaceutical concern with a 16 per cent stake in Biogen, the Swiss company which claimed this week to have found ways to produce Interferon, a substance with *remarkable virus-fighting* properties. Schering's stock soared over $7 to $37 and topped Hhursday's active list on the news.

Another was Rosario Resources, the natural resource company which was the object of a competing bid by Amax, the large metals company, and Hudson Bay Mining and Smelting of Canada. Much to everyone's dismay, Amax ducked out of the bidding after Hudson offered $65 a share, leaving Rosario stock high and dry at $71.

The outcome was thus a disaster for risk arbitragers who had gambled on a spirited fight.

A factor influencing the market for the next month or so is the end of year reporting season which opened this week with the banks reporting strong though uneven gains thanks to high interest rates.

IBM also fulfilled predictions of a drop in fourth quarter earnings, though the dip equivalent to only one cent per share was less than the market expected and the stock put on more than $3 to top $70.

MONDAY	863.57	+5.04
TUESDAY	868.60	+5.03
WEDNESDAY	865.19	−3.41
THURSDAY	863.57	−1.62

When the bubble didn't burst

MINING

PAUL CHEESERIGHT

FOR A few hours on Wednesday afternoon and Thursday morning, it looked as if a pin was gently prodding at the gold price bubble. But the casing did not burst: indeed the bubble enlarged.

The pin was called profit-taking and it emerged when the gold price moved towards $770 an ounce on Wednesday and remained in the market until the price went below $730 on Thursday. But it all seems a little academic now—after all, there is little point in bothering about what happened around $750 when the price is over $800.

The London price ended the week at $835, a rise of $211.50 over five trading days. Sweeping price changes have become commonplace in the atmosphere of political fear which has overcome the market. If not Iran then Afghanistan, if not Afghanistan then Yugoslavia: the market has seemed to be looking for reasons to go higher.

Cautious analysis demands the prediction that sooner or later, and probably sooner, there will be a sharp correction. The trouble is that the correction has been expected for the last $500 of the rise. Last May, when the price was under $300, wise heads were nodding in expectation of a quiet summer.

The difference between then and now is that the movements of the market have become much more violent. In those earlier months the price rose by a few dollars at a time; now a trading range for the day of $40 or $50 is not unusual. At the very least, the bullion market *has become a dangerous place.*

Gold mining shares have followed the movement of the metal price with enthusiasm. There have been 13 trading days this year and on 11 of them the Gold Mines Index has staged double-digit rises or falls—rises for the most part, of course.

But, again, attitudes to the market have changed. When the metal price was moving towards $500 *just* before Christmas, London market men were generally suspicious, feeling that the rise was insecure and that any correction would push share prices down sharply.

But the absence of a correction and the passage of the metal price through $600 brought about a change in sentiment. There have been few bears about these last few days. The Gold Mines Index, indeed, has climbed 65.5 this week to 360.4.

Still, the fact that professional dealers were this week taking profits on Wednesday and Thursday might be a warning to the small investor lured by the possibility of quick capital gains.

But even if the capital gains do not turn out to be quite as handsome as the hopeful might have wished, there is the consolation of generally high dividend income and a stake in companies which are making larger and larger profits.

The latest quarterly reporting season finished this week and, as the accompanying table shows, only four of the South African gold mines had lower profits in the December quarter than in the September quarter. They were **Bracken** and **Leslie** from the **Union Corporation** group and **FS Saaiplaas** and **President Brand** from the **Anglo American Corporation** group.

President Brand, Bracken and Leslie all had to pay higher tax, while Saaiplaas was hit by the cancellation of Iranian uranium contracts with the Anglo Joint Metallurgical Scheme in which it is a participant.

By contrast, some of the profit rises were striking. Among the marginal mines, **Venterspost** in the **Gold Fields of South Africa** group nearly doubled, net profits in the latest quarter to R4.01m (£2.14m) from R2.01m in the previous quarter.

Among the larger operations, **Vaal Reefs** of the Anglo group had December quarter net profits of R77.28m (£41.4m) compared with R46.29m in the September quarter. The mine accompanied these figures with a final dividend declaration of 320 cents (171.47p) to make a 1979 total of 510 cents against 280 cents in 1978.

But such rises are not necessarily a foretaste of what is to come for all the mines, as far as shareholders are concerned. The South African Government looks like being the biggest beneficiary of the rising gold price and higher mine revenue.

The South African taxation system is very generous when it comes to new investment or expansion programmes, but once the capital expenditure has finished and profits rise sharply, then it creams off the top. Mines could end up paying over 70 per cent of operating profits in tax. President Brand's problem was that it had finished a de*velopment programme* and faced a sharply higher tax bill.

At the same time, there is no question of the South African mines suddenly boosting gold output. They are required by law to mine lower grade ore when higher metal prices make this economic.

Further, the rise in the metal price has made payable orebodies which were previously uneconomic. Thus some mines, like **Doornfontein** and **Libanon** in the Gold Fields group, are embarking on capital programmes which will hold back dividend payments.

But the more cheerful side of the whole business is that the higher profits of the December quarter were based on gold prices of between $400 and $430 an ounce and the average price receivd for the mines for the whole of 1979 was only just over $300.

So, notwithstanding the killjoy factors, the pickings for the mines at a gold price of around $800, or even around $500, assuming a sharp reaction on the market, are rich inded.

Small wonder then that around the world mining companies are stepping up their precious metals exploration effort, making gold the fashionable metal for the early 1980s, replacing uranium, modish in the mid-1970s and nickel, all the rage at the end of the 1960s.

GOLD MINING NET PROFITS

	December quarter R000s	September quarter R000s	June quarter R000s	March quarter R000s
Blyvooruitzicht	16,699	12,979	11,439	10,813
Bracken	2,209	2,455	1,898	1,834
Buffelsfontein	21,957	13,764	13,712	12,781
Doornfontein	8,234	5,754	5,401	4,040
Durban Deep	¶4,661	¶2,086	†1,605	†1,521
East Daggafontein	76	8	‡82	‡6
East Driefontein	48,506	36,715	30,851	28,259
ERGO	15,532	11,281	8,621	8,027
East Rand Pty.	¶6,526	¶4,086	†1,556	†1,112
East Transvaal	1,969	1,446	1,481	1,031
Elandsrand	4,713	2,007	408	*790
FS Geduld	33,800	28,861	24,537	21,312
FS Saaiplaas	5,058	12,473	7,448	4,973
Grootvlei	5,370	3,180	2,604	2,061
Harmony	26,326	17,699	17,763	15,723
Hartebeest	30,749	22,191	23,243	15,663
Kinross	6,501	5,309	4,034	3,847
Kloof	27,896	20,447	16,818	14,036
Leslie	1,749	1,864	1,245	1,148
Libanon	9,431	6,830	5,995	4,894
Loraine	2,793	¶2,436	†443	†583
Marievale	1,082	916	791	635
President Brand	32,726	35,147	27,742	20,795
President Steyn	22,665	20,023	16,610	11,276
Randfontein	31,024	23,596	18,435	20,417
St. Helena	13,599	9,756	7,845	7,995
South African Land	829	‡519	‡402	‡1,101
Stilfontein	10,026	5,707	4,278	4,751
Unisel	6,880	—	—	—
Vaal Reefs	77,283	46,290	39,697	36,303
Venterspost	4,011	2,010	†831	¶1,102
Vlakfontein	671	406	407	330
Welkom	7,682	7,298	4,544	4,378
West Driefontein	44,740	36,951	29,442	27,144
West Rand Consold.	¶2,864	*†486	*†449	*†502
Western Areas	34,216	11,759	8,047	8,650
Western Deep	59,356	39,096	36,747	23,144
Western Holdings	20,024	19,565	16,256	13,909
Winkelhaak	11,745	10,139	7,285	6,462

* Loss. † After receipt of State aid. ‡ Net surplus includes sale of capital items following cessation of mining. ¶ After State aid repayment.

Robert Cottrell looks at defence stocks in a year of uncertainty

Hot shares for the cold war

COULD DEFENCE stocks be the vogue equity investment of 1980, as resource stocks were in 1979? Such is the belief of Mr. Roger Hornett, partner and European stock markets analyst at stockbroker James Capel.

The depth of current political uncertainty is leading to a shift in the market's criteria for evaluating defence stocks, argues Hornett. In the past, share performance has tended to be dominated by "earnings visibility, order inflow," he says. Now, the guide will become not so much historic earnings multiples but rather a *more speculative view of* growth potential.

New reports of political unrest and potential orders may stimulate stock performance in much the same way that exploration and discovery rumours stimulate resource stock performance, he argues.

If the world markets are to see a new growth potential in defence stocks, it will come as an additional boost to the major U.S. defence contractors which are already trading at the top of 1978-79 ranges. Raytheon closed on Thursday at $77⅞, against a 1979-80 low of $42. McDonnell Douglas closed at $42⅞ against a low of $20.

Boeing has performed particularly strongly, closing on Thursday at $61⅜, up $4 on the week, against a 1979-80 low of $38. The week did, however, see a little profit taking, with companies including McDonnell Douglas and missile maker Martin Marietta slipping slightly on Thursday.

The prices of U.S. defence-related stocks have not shifted more sharply is in part due to the 10 year rundown in defence expenditure which has forced them to diversify with a view to reducing defence-dependent earnings. Boeing, for instance, worked on the Bay Area Rapid Transit system.

One London analyst sees major U.S. defence stocks as by now fairly valued, and expects investor interest to spread over into natural resources like timber, which combine asset security for nervous money with the prospects of increased demand.

The Japanese stock market has stayed relatively cool, in spite of reports of Monday's call by Mr. Harold Brown, U.S. Defence Secretary, for a boost to Japanese armament. Part of the reason is that the Japanese Government is under pressure to control defence expenditure which even now stands at only 0.9 per cent of GNP; and defence interests form only a small part of the engineering conglomerates.

Nonetheless, Mr. Brown's speech provoked a small flurry in defence stocks on Tuesday. Mitsubishi Heavy Industries put on Y3 to Y186. Fuji Heavy Industries was up Y4 to Y309. The sharpest rise was in flying boat manufacturer Shin Meiwa, which moved up Y32 to Y620. But these gains were soon eroded by profit-taking the next day.

There was also action in Japanese non-ferrous metal which was related to political nervousness. Unable to buy gold, Japanese investors turned to boost the prices of non-ferrous metal shares. Dowa Mining and Sumitomo Metal Mining both gained to close the week at Y479 and Y291 respectively.

Among French stocks, defence-related Matra and Thomson CSF are both trading *at historically high levels.* The French feel particularly bullish about their defence stocks, Hornett argues, because the government has always shown concern to maintain good relations with potential foreign arms buyers.

Thomson CSF closed yesterday at FF 539, up FF 10 on the day, against FF 492 a week ago. Matra finished the week at FF 8,490, only a slight gain on the week, but well above the FF 7,900 at which it started the year.

Matra has shown spectacular growth from its 1978 low of FF 400, thanks to French government support to shift its principal business out of motor components and into high-technology missiles.

There were firm trends in the middle of the week among the relatively few German defence-related stocks, on fears of Middle East instability. Tuesday saw Rheinmetall up DM5 and Krauss-Maffei up DM15.

The London stock market has shown relatively little susceptibility to political developments, with major engineering companies still trading well down on 1979 highs. But the firm tone of the market through the week must have been helped by an influx of nervous foreign money into gilts, pulling equities up in their wake.

Among individual stocks standing to benefit from increased defence spending, United Scientific Holdings closed the week up 19p at 392p. Whereas on the basis of last month's figures USH looked as if growth prospects were slowing, its U.S. acquisitions including Ni-tech leave it well placed to benefit from defence spending on both sides of the Atlantic.

Ferranti hit a new 1979-80 high of 491p on Wednesday, but slipped 31p on Friday to close at 460p, 5p up on the week.

Overhanging the prices of two other UK companies which must be expected to reap defence benefits, Racal and Decca, were the bid expectations which came nearer to fruition on Friday, Racal is still trading around the middle of its 1979-80 range.

The reverse side of the cold war coin in perhaps one of the factors underlying the poor performance of the Davy Corporation. Trading at the bottom of its year's range, the price may be unsettled by fears that political intervention may curtail its lucrative eastern bloc custom.

But the most obvious beneficiary of the week's political uncertainties was gold, with Friday afternoon's London fix at $835 leaving it over $200 up *on the week. Moving up in the* wake of gold were copper, and more predictably silver. Copper hit a new five-year high on Friday, with three-month wirebars at £1,227.

UNIT TRUST AND INSURANCE OFFERS

FINANCE AND THE FAMILY

Claim under a warranty

BY OUR LEGAL STAFF

I bought a new car recently with the *usual year's warranty*. It is now being repaired, but the job cannot be finished because the garage concerned cannot get a spare part required. Am I entitled to claim expenses incurred by lack of the car from the *manufacturers*?

Any claim which you might be able to make would be governed by the terms of the warranty. *It is unlikely that the warranty* would not limit your right to replacement of parts and the cost of labour. If your common law rights are preserved, as should now be the case, you might be able to claim for the expenses incurred during the *time of repair if you can prove* that the defect in question arose from the manufacturer's negligence, but this is not an easy course to take.

Entry before completion

A purchaser of a house, with a completion date some weeks ahead, sends workmen to make alternations, presumably with the permission of the solicitor acting for the executors of the deceased owner, but not of the executors *themselves*. If completion does not take place, upon whom will the responsibility fall for *reinstatement of the property?*

The position between vendor and purchaser before completion of the contract is one which raises complex questions of law. We cannot advise you upon assumptions as to whether or not permission was given, especially when the full terms of the contract of sale are not to hand. If a purchaser enters on the property wholly without authority, and in the absence of any acquiescence by the vendor, he would have to bear the loss of any expenditure by him on the property if the sale is not completed.

An unwanted go-cart

I let a lock-up garage to a man who moved about a year ago to an unknown destination leaving a go-cart in it. No rent has been paid since he left. Am I stuck with the go-cart for ever—What can I do about it?

You can serve a notice on the lessee under Section 12 of the Torts (Interference with Goods) Act 1977. The notice should comply with the requirements of the 1st Schedule to that Act, and should specify your name and address, identify the go-cart and the garage where it is situated and state that the go-cart is ready for delivery to him and that it will be sold on or after a date which we think should be at least three weeks after the notice might be expected to be received. The notice must be sent by recorded delivery (or registered post) to the lessee's last known address. You can then sell the go-cart on or after the date specified.

Army pension abroad

A number of people resident here in Abu Dhabi are receiving British Army pensions, taxed at source at the standard rate and there is a difference of opinion as to whether there is a possibility of reclaiming some of this tax. Could you please explain what the position is and if tax can be reclaimed, what is the procedure?

Under section 27 of the Income and Corporation Taxes Act 1970 *(as amended)* and *section 13 of* the Finance Act 1978 or section 5 of the Finance (No. 2) Act 1979, an Army pension received by a resident of *Abu Dhabi* (or any other country without a double taxation agreement with the UK) should bear UK tax at a rate not exceeding 25 per cent on the first £750 and 30 per cent on the rest, assuming that it is the recipient's only source of income liable to UK tax. For 1978-79, the rate on the excess over £750 was 33 per cent (up to £8,000).

There might be further relief, *but this depends upon each* recipient's personal circumstances and the amount and composition of his worldwide *income (including his wife's* income, generally speaking). Army pensioners will generally receive UK tax return forms *from the Public Departments* tax office in Cardiff (instead of the Foreign Claims Branch in Bootle), and they should re*ceive any tax relief auto*matically, if the tax return forms are completed fairly promptly each year.

Enforcement of a covenant

In the conveyance of my house there is a covenant on the part of the purchaser, upon completion by the vendor of the roads, footpaths and common areas to contribute from time to time one ninth part of the cost of maintaining, etc., these common areas. (a) Can the incorporated residents' association, which maintains these common areas, enforce this? (b- Can the developer himself? (c) If the answer to (a) is no, and to (b) is yes, could the developer in some formal way make the residents association his agent for maintaining the property? Is there any way of preventing non-paying residents from using the gardens or road?

The developer could enforce the covenant but only against an original purchaser, not his assignee. The residents association would be in the same position if the benefit of the covenants has been expressly assigned to the association, but not otherwise. However, by means of agency such as you suggest, the developer can enforce while using the association to maintain the areas in question. We think that enforcement by preventing non-paying residents from using the gardens or road is open to the owners of the gardens/ road by the application of the equitable doctrine that he who wishes to take the benefit conferred by a document must also bear the burdens imposed by it.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Pollution by noise

My new neighbour is a lorry driver and parks his lorry, partly on the footpath, in front of his house every night and often starts it up at about 5 a.m. waking us all up. Is there anything we can do about it?

You may be able to procure your Local Authority to take proceedings under Section 58 of the Control of Pollution Act 1974 if you can procure some of your neighbours to support you. You should canvass other neighbours to learn if there will be some support, and, if so, apply to your local authority requesting it to serve an abatement notice on the driver in question. The parking on the pavement is also unlawful.

Stamp duty

We stated incorrectly in our reply on January 5, 1980, that stamp duty was chargeable ad valorem. As this was a transfer to a residuary legatee it was only chargeable with fixed duty of 50p.

Passing it on to the children

COVENANTS

TIM DICKSON

A SCHEME combining gilts, grandparents, and perhaps a touch of New Year generosity, has been launched by merchant *bankers* Brown Shipley. The new plan, which is aimed particularly at families paying school fees, is essentially a variation on the old child covenant theme, but nevertheless, there are a couple of interesting features.

Setting up a covenant, as long as you agree to make regular payments for at least seven years, is undoubtedly one of the most efficient ways of passing on money to children. This is because the young recipients (provided they are not already earning an annual income in excess of £1,165) can reclaim the basic rate of tax already paid by the donor.

For instance, if the first annual instalment of the gift comes to £300, the Inland Revenue effectively contributes a further £128.57—the amount of basic rate tax reclaimed. It is important to remember, however, that this only works if the donor pays at least the basic rate of tax and is not one of the child's parents. Anybody else can participate, though in practice, such affection is generally limited to grandparents, other relatives, godparents and friends.

A further advantage of giving money in this way is that children do not pay tax on *investment income. The prob*lem now arises: where do you invest? At this point Brown Shipley, with its Younger Generation Plan, hopes to step in with the answer. The idea is that donors invest a minimum of £250 a year or £25 a month in the Brown Shipley Sterling Bond fund, a gilt fund based in Jersey.

Its chief aim is to provide investors with "as high a taxfree yield as is compatible with a responsible investment strategy," though some capital appreciation is also expected.

Mr. John Calvert, Brown Shipley's investment manager, argues that the time is right to invest in gilts and that short term prospects in this market are better than for equities. He also points out that being a gross fund, dividends from the Brown Shipley Sterling Bond fund are paid without deduction of tax, and therefore tax deducted does not have to be reclaimed from the Revenue. Dividends are paid quarterly and are automatically reinvested unless otherwise requested.

The big attraction to investors is that only one tax reclaim (relating to the annual covenant) is necessary. Ifthe money were to be invested in UK equities or in an authorised unit trust or investment trust dividends would be received net of basic rate tax and some inconvenience might be caused in getting the money back. Moreover the high income from a gilt fund will appeal to many potential participants.

The Brown Shipley Sterling Bond fund has *certainly* been one of the better performing offshore gilt funds over the last year. On the basis of total return *(including* reinvested income) it has increased in value by 8.62 per cent in the 12 months to December 31, against a 5.33 per cent advance in the FT-Actuaries Government All Stocks Index.

Brown Shipley says that in time covenant gifts can be d to its authorised unit trusts. These, however, have had a somewhat chequered history. Apart from its own Unit Fund, founded as an in house unit trust in 1971, the Brown Shipley team since 1977 has run the Oceanic group of funds.

These passed through several hands before settling into their current home but have never really managed to produce the goods.

One big problem has been the large number of very small unit holdings which has made the funds extremely difficult to administer. Some improvements have been made here but performance even recently has been disappointing—only Oceanic Financial of the nine Oceanic trusts managed to beat *the Financial Times Actuaries* All-Share index over the last three years.

Sweet and sour

COINS

JAMES MACKAY

ALTHOUGH there are references in Chinese literature to money as far back as 2255 BC it was fashionable in western numismatic circles to decry this and claim that Chinese coins came into being in the 7th century BC, around the same time as the first coins of Asia Minor. Archaeological discoveries in the 1930s shed new light on Chinese antiquities in general, and the researches of Dr. Wang into the early knife and spade money proved that some at least had been issued in the 9th century BC and possibly even earlier, as far back as 1122 BC.

Like every other ancient civilisation the Chinese had a highly developed commerce which depended on a system of barter. The most convenient articles of exchange were small Bronze Age tools—knives, billhooks and spades. It is not clear at what point in time the barter of the actual implements ceased, to be replaced by more decorative replicas *in miniature*, but these have been positively dated as far back as 890 BC and are relatively abundant from the 8th century onwards.

Knife money, sometimes referred to as razor, sword or bill-hook money, consisted of small bronze knives, shaped rather like a cut-throat razor, about 6 inches long and having a ring at the end of the handle by means of which clusters of knives could be strung together. From the outset these knives were clearly inscribed with the name of the city and principality in which they were issued, the value in *chu* (units of weight) and the characters *chih huo* (money) or *chih fa-huo* (legal money). They were not dated, but the various types have been placed in broadly chronological order according to design and stylistic features.

Spade money seems to have become popular at a slightly later date but continued in circulation alongside the knife money for many centuries. Also known as *Pu* money, from the Chinese word for a spade, these bronze pieces resemble a two-pronged hoe. The earliest examples had round shoulders and a pronounced square foot, resembling the saddles of ancient China, and for this reason they are sometimes referred to as saddle money.

Like the knife money, these pieces bore characters indicating the place of minting and the value. Spade and knife money cast in base metal formed the backbone of the Chinese monetary system for at least 500 years. Larger sums were expressed in pieces of gold or silver, cast into ingots or fancy shapes, but circulating by weight only and never possessing a fixed value.

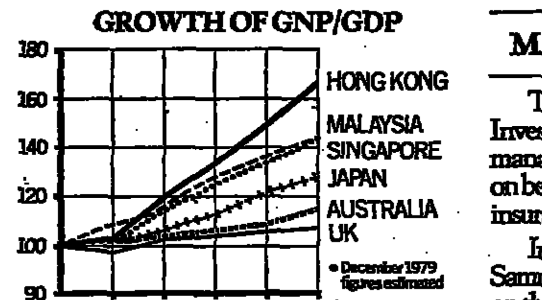
Attempts by Wu-ti (119 BC) *and Wang Man, at the beginning* of the Christian era, to strike silver pieces with a fixed value failed because the Chinese would not accept them. The widespread acceptance of a token currency made the introduction of paper money easy, in the 9th century AD. The Chinese had a highly sophisticated system of paper money at a time when King Alfred was allegedly burning cakes.

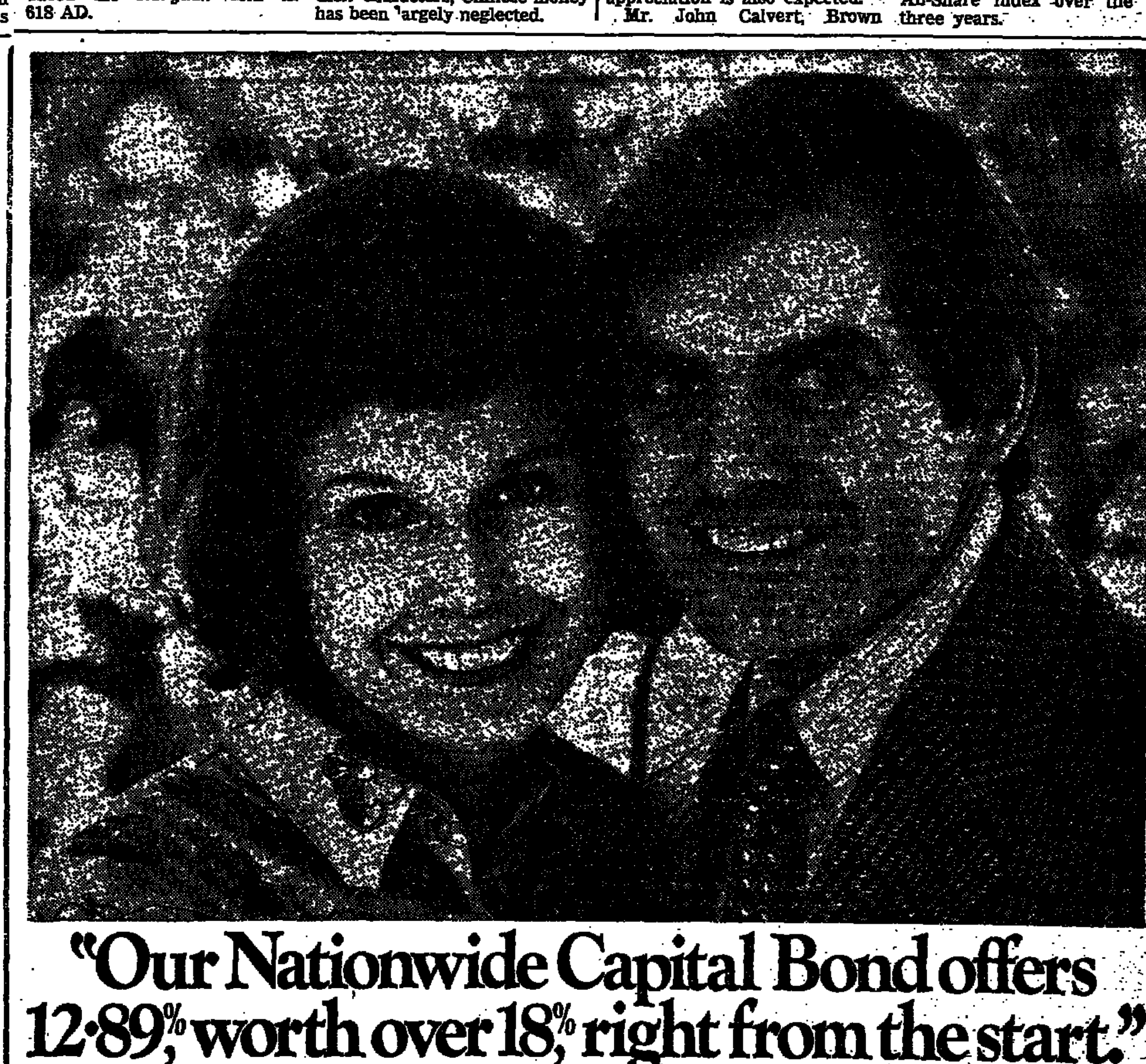
At the other end of the scale small change was provided by cowrie shells, a primitive form of currency which survived in many parts of Africa till this century. By 700 BC, however, the Chinese had gone a step farther and began issuing bronze cowries, followed in the 4th century BC by round bronze coins with a square hole in the centre. Shah Huang-ti (221-210 BC) abolished the knife and spade money and standardised the bronze coins at half an ounce *(pan-liang)*.

This coin became gradually reduced and debased as a result of inflation and was superseded in 118 BC by the 5 chu coins of the Emperor Wu-ti which remained unchanged for over 800 years. *The monotony of* these coins was relieved only by the tiny ornaments which may have been the Chinese equivalent of mint-marks, and these have enabled scholars to date and identify a large number of them, though many others are as yet unidentified. The only break in the montony of the 5-chu coins was a revival of knife and spade money by the usurper Wang Man (9-22 AD). The 5-chu piece lasted till the rise of the T'ang dynasty, when the Emperor Kau Tsu introduced the *Kai-yuan* coin in 618 AD.

This round coin with a square hole had four characters signifying "*current money of the year —of the reign of—*." Known as cash (either from the Hindu *kasu* or the Portuguese *caixa)* these coins continued till the late 19th century and thus hold the world record for numismatic longevity. A cash piece was a 1,000th of a silver tael and they were often strung together in clusters of 1,000 known as *kwan, kuan* or *tiao*. They were also strung together to form an ornamental sword, which was a popular wedding present. Unbroken swords containing thousands of cash, with the original cords intact, are now much sought after.

For over 2,000 years copper cash, with the occasional multiple, was the only coinage circulating throughout the Chinese empire, relieved only by such aberrations as the lead coins of the 12th century and the large oval tokens used during the Tai Ping rebellion. Because of the apparent monotony of the copper and bronze coins, and unfamiliarity with their characters, Chinese money has been largely neglected.





YOUR SAVINGS AND INVESTMENTS 1

Budget Day has now been set for March 25. **Tim Dickson** reminds investors to look further ahead

Checklist for taxpayers

"Only 77 days to April 5" sounds like some unsolicited, if faintly seductive pre-Christmas shopping slogan. For savers and investors, however, it is perhaps more important than the high street's more familiar mid-winter marketing cry.

About this time of year stockbrokers and other financial advisers worth their salt are advising clients about what action to take before the end of the financial year. This is because the Inland Revenue *gives taxpayers a number of* concessions which effectively help reduce either this year's or some more distant tax bill.

In most cases, however, unless taxpayers take advantage of the Revenue's concessions for 1979-80 by April 5, the potential benefit will be lost for ever. It is, therefore, important to plan a strategy and act before it is too late.

Investors this year have to weigh up more considerations than usual. As well as the individual mathematical calculations to assess the likely impact on personal balance sheets there is also the little question of the impending budget. This is due on Tuesday, March 25, and may well include more of Sir Geoffrey Howe's much-promised tax reforms, particularly in relation to capital gains tax.

Opinion differs in the City but if, for example, capital gains tax were to be completely abolished and in the unlikely event that this was applied retrospectively to the 1979-80 financial year, some of the *evasive measures which I am* about to suggest could be deemed unnecessary.

Some investors may therefore wait and see but here is a checklist of some of the points to bear in mind.

Capital Gains Tax. The first £1,000 of gains is now completely tax free. The next £4,000 is charged at only half the normal rate (15 per cent against 30 per cent), the follow*ing £4,500 at 50 per cent, after* which CGT is levied on all gains of £9,500 and above at the full rate of 30 per cent.

These concessions cannot be carried forward to future tax years, so if you are sitting on gains of up to say £5,000 you should consider taking the profit. If you do not want the cash and if you do not want to sell the shares, a way round this is to "bed and breakfast."

"Bed and breakfasting" involves selling shares on one day and buying them back the next in order to establish a technical capital gain (or loss). If you hold £8,000 of ICI which you bought at £5,000, you could "bed and breakfast" them, establish a gain of £3,000 and consequently pay CGT of only £300.

If you are lucky next year and the ICI shares are worth £11,000 by the beginning of 1981 you will be liable (if you sell) to a further £300 of CGT making a total of £600. If, on the other hand, you did nothing this year and sold them at £11,000 in a year's time the *total gain would be £6,000* leaving you with a CGT liability of £1,100.

"Bed and breakfasting" is also done to establish a capital loss which can be carried forward to offset against gains in future years.

Unitholders and investment trust shareholders, meanwhile, are able to take a total of £3,000 worth of gains tax free. This is because the 10 per cent tax credit which they receive on all disposals, effectively offsets the CGT on the additional £2,000.

Investors with a mixture of unit trusts or investment trusts and ordinary shares should, however, be very careful not inadvertently to lose their concessions. The Inland Revenue has ruled that losses from previous years must be brought forward to offset against any current gains.

For instance, if you establish £3,000 of unit trust gains and have £2,000 of previous losses to carry forward, the position is as follows: the first £1,000 of gains is tax free, while the next £2,000 of gains will be offset by both the losses brought forward and the unit trust tax credit. The result is that since you cannot use both the losses and the tax credit you lose the benefit of one of them.

If you are "bed and breakfasting" ordinary shares you only have to pay one lot of stockbroker commission. Unit trust costs for this service vary —Chieftain is about average *charging half* a per cent.

Capital Transfer Tax. Gifts free of CTT can be made by individuals up to a total of £2,000 per year. In addition you are allowed to carry forward the previous year's unused allowance. This means that a husband and wife can effectively hand over up to £8,000 to their children in one 12 month period.

One important point to remember is that the current year's entitlement must be used first—if you gave nothing last year and decide to give only £2,000 this year, you are limited to £2,000 (*not* £4,000) next year.

Capital Transfer Tax on lifetime gifts begins when total transfers (apart from the concessions) reach £25,000.

Self employed pensions. If you are thinking about joining a self-employed pension scheme, do it by April 5. Your premiums will then enjoy tax relief at your highest rate for the

Tax rebates and relief. If six years ago this April you paid the Inland Revenue too much tax, make sure you lodge your *claim by April 5.* After six years you have no recourse to the taxman.

Premiums on life insurance policies are now paid net of tax but if under the old system you did not get relief on premiums, the same principle applies. If you have not claimed the relief after six years, it's just too bad.

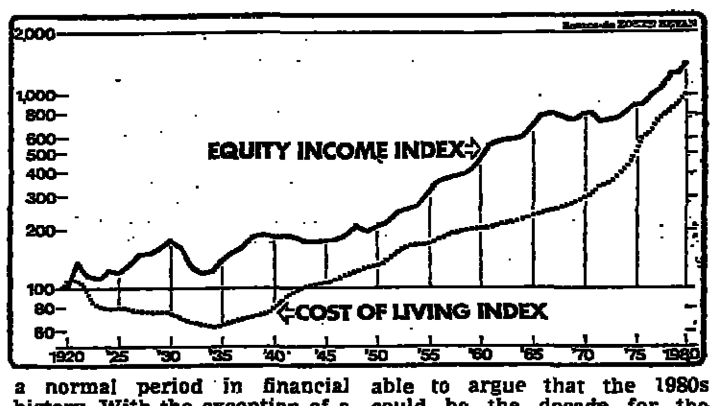
Separate assessment/separate taxation of wife's earnings. If you want to be assessed in either of these ways for the financial year 1978-79, you must tell the Inland Revenue by April 5.

Single premium bonds. If you are likely to pay less tax than usual for the year 1979-80, you might consider cashing these in by April 5.

Company Car. To qualify for the tax benefits of driving a company car, you have to clock up more than 10 per cent on the firm's business. You could take a trip before April 5 to see that troubled subsidiary at the other end of the M1. . . .

Dividends and inflation

FOR MONTHS now, share prices have been discounting the probability that total dividend income this year is likely to rise by only a few percentage points—at best. With average inflation running not that far short of 20 per cent, shareholders are going to *suffer a sharp cut in their real* incomes.



That is nothing new. Although dividends have broadly kept pace with inflation over the last four years, dividend incomes have roughly halved in real terms since the boom days of the mid-1960s.

But that is not in itself a reason for writing off equities as a home for long term savings. Over long periods of time, ordinary shares have provided real current returns for patient investors.

That is one of the messages from the 25th annual edition of brokers de Zoete and Bevan's study of the long term progress of equity and fixed interest investment, which was published this week. Through the 1970s, you would have done better to leave your money in a building society than in the portfolio of leading blue chips which the brokers use to represent the equity market.

Annual returns in the building society worked out at 6.5 per cent, on the basis that net income was reinvested, compared with 6.2 per cent on equities. That was a derisory performance, given the much greater risks involved in equity investment.

But then the *1970s were not* a normal period in financial history. With the exception of a brief period in the early 1930s dividend incomes on the de Zoete fund consistently outpaced inflation between the wars. Taking 1920 as the base of 100, the equity index adjusted for the cost of living was up to 262 by 1939.

The end of the war saw it down to 166, and it stayed not too far from that level until the prosperous days of the late 1950s and 1960s, when it shot ahead.

By the beginning of this month, the index stood once again at 166. The message is that although share prices have fall in real terms since the war, the dividend income on a typical portfolio has more or less maintained its purchasing power. For comparison, Consols now stand in real terms at under $2\frac{1}{2}$ per cent of their value in January 1947.

Maybe things are going to *change. At present it is fashion*able to argue that the 1980s could be the decade for the bondholder—and history has parallels for that, too. Adjusted for the cost of living, consols doubled in value between 1930 and 1935. De Zoete points out that current Government policies, if pursued rigorously, could squeeze profits and weaken companies' ability to pay higher dividends and higher wages. In that case, the returns on equities and fixed interests investment might start to follow different paths.

That is already reflected to some extent in market prices. The yield on shares has risen relative to that on gilt edged securities over the last year.

But shaking inflation out of the system will be a long and painful process, and it may be that de Zoete will have to publish quite a few more editions of its annual before any sustained change of trend becomes apparent.

Richard Lambert

A lively tiddler

AFTER the major bids recently which have left Tyndall and Target under new ownership, another unit trust group has just changed hands. Cosmopolitan Fund Managers, a small Manchester-based management company, has been taken over by C. P. Choularton, Sons and partners, a public but unquoted banking and financial services group and a newcomer to the unit trust scene.

All details of the acquisition have been completed though Choularton is still waiting for Department of Trade permission to change the Cosmopolitan name.

Cosmopolitan is a tiddler by comparison with Target and Tyndall. It has three trusts, funds under management of around £1.5m and 1,500 individual unitholders. Its history, if not chequered, has at least been lively and it has passed through four different owners in the last ten years, including the ill-fated Jessel Securities.

Choularton, which paid the previous owners, Joseph Sanders *and Partners,* around £80,000 for the management company's assets and the goodwill of the funds, appears ambitious to give unitholders a better return than they have previously enjoyed and to increase the size of money managed.

Mr. Harvey Moss, joint investment director, says this policy will involve the launching of several new trusts over the next six to nine months, adding that he will be disappointed if funds have not reached £10m by the end of 1981.

Mr. Moss, a 34-year-old chartered accountant who has spent much of his working life in industry, explains that Choularton is currently attempting to expand its portfolio management side.

Certainly unit-holders will be hoping for better things. The Cosmopolitan Growth Fund (originally Fordham Growth when it began life in 1969) has been one of the worst performing unit trusts of the past 10 years, according to the magazine Planned Savings. An investment of £100 on December 1 1969, for example, would have been worth (including net income reinvested) a mere £81.40p on December 1 last year. The capital value of the *group's income fund, launched* at the beginning of 1978, has also seriously suffered. The Overseas Fund, which is currently invested in Australia, Canada and South Africa, was only launched in March last year.

T.D.

When holidays go wrong

INSURANCE

ERIC SHORT

ONE OF the delights during these cold dark winter evenings is planning a holiday. But there are 101 things that can go wrong and spoil the holiday. A dream can turn into a nightmare when hard-earned savings go down the drain with no financial recompense.

Your baggage could get mislaid, your flight could get delayed from industrial action, you could fall ill while abroad, or you may never take that first step in the journey because of family illness.

Thees can result in financial hardship and the need for travel insurance is obvious. Yet, in general, this type of insurance is not automatic with tour holidays, with the cost being built into hte price.

But almost all tour operators now offer their clients a travel insurance package as an optional extra. The Association of British Travel Agents has its own scheme — Extrasure — arranged through the U.S. Home Insurance Company.

However, holidaymakers should not automatically take the insurance package offered. They need to treat this insurance like any other insurance and compare what is available on the market. And the decision should not be based solely on the premium.

The one basic test of any insurance policy is, will it cover all eventualities? In the event of a claim, how much will be paid? So first read the policy to see what cover is provided.

This task will help enliven your winter evenings, particularly as the insurers have not yet got round to writing the policies in plain English—a subject of last week's article. So do not be afraid to get your tour operator to explain anything you cannot understand.

The main areas of cover are cancellation, medical expenses, curtailment, baggage, money and personal liability. One logical approach is to deal with each stage of the holiday.

First, having decided where to go and book the holiday, what cover is provided if you have to cancel the holiday? The operative features here are any medical restrictions and the limit of cover provided. It should be axiomatic that the limit of cover will be high enough to repay the cost of the holiday, yet in some cases the basic cover does not and you need optional extras.

Secondly, your flight is delayed by industrial action. This can entail extra costs for meals, hotel accommodation until you can fly out. How long has the delay to be before cover commences?

Then your baggage may get mislaid. How soon can you claim? What proof do you need to provide? Note that the cover is usually against baggage that is completely lost, not temporarily mislaid, even though this can involve extra expense.

Then you have the misfortune to be taken ill on holiday. You may feel that with the reciprocal arrangements between negotiated with other European countries, you will get free medical treatment. So all you need is a form E 111 from the Department of Health and Social Security. You could be in for a shock.

In Denmark for example, your British passport is sufficient to get you free treatment. In other countries, individual hospitals may just laugh at form E 111 and the only paper they are interested in is the currency of the country. True, you can reclaim expenses once you are back in the UK, but why accept this hassle and expense when medical insurance will meet the bills promptly.

Check what medical restrictions are needed—they will not pay if it is obvious from the medical history that the person should never have started the journey in the first place. Travelsurance arranged by leading specialist J. Perry and Company, only requires in cases of adverse medical history a note *from the person's doctor that* he or she is fit to travel and they will accept any subsequent claim. But check on whether cover is extended to accommodation expenses for other members of the family, that repatriation expenses are covered and that the claims settlement proceduers mean the hospital deals direct with the insurer.

Above all, check that the limits will meet medical expenses in the countries being visited. Last year, Mr. Frank McPhillips visiting the U.S. had a heart attack followed by a bill for £42,000. The holiday insurance policy must have an optional extra to increase the medical expenses cover.

Remember travel insurance is an indemnity policy in that it covers your immediate financial loss. So if you lose your suitcase, the payment will make allowance for wear and tear. This is in contrast to the household contents insurance where cover is often on a replacement "new for old" basis.

One other tip—always carry some documentary proof that you are insured, and obtain from your company the phone number of a local agent who can be contacted if problems arise.

YOUR SAVINGS AND INVESTMENTS 2

John Makinson looks at the prospects for investing in commodity funds

A good track record

RESOURCES HAVE become the last word in investment fashion. The best performing stock markets last year were heavily weighted towards resource-based companies, the prices of several commodities (notably oil and precious metals) have been rocketing and others, such as sugar and copper, have recently started to gain momentum.

The UK investor, holding a sluggish equity portfolio, may be suspicious of the commodity markets, which have a reputation for being volatile speculative and esoteric. Furthermore, the purchase of physical commodities is expensive compared with, for example, equities, while the futures market is highly geared and hence risky.

The stock-market provides an opportunity for investing in resources through companies, but this is a specialised field and a balanced portfolio would entail buying stocks which are not traded in London. One way round the problem is to invest in commodity funds or commodity share funds, many of which have an enviable track record.

Save and Prosper, for example, offers both varieties. The share fund has shown a rise (including gross income reinvested) of 42.4 per cent over the year to January 1, 1980, and of 71.8 per cent over two years.

The direct commodity fund, an off-shore operation, has increased by 38.7 per cent and 50.3 per cent over the same periods. The comparable figures for the FT Actuaries All Share index are 10.1 per cent and 19.2 per cent. Mr. John Manser, investment director at Save and Prosper, emphasises that growth has been achieved without an inordinate dependence on gold, which last year did not account for more than 12 per cent of the share fund.

He believes that both funds offer a sound hedge. The investor is protected against the threat of political or economic crisis, which pushes up the bullion price, and he can benefit from world growth rates through industrial and agricultural commodities.

In the commodity fund, besides maintaining a balance between different categories of resources, Save and Prosper keeps its investments at no more than 140 per cent of the fund's value. This means that when the fund is heavily committed to the futures market, where a deposit of only 10 per cent is required, substantial amounts of cash are kept in the money markets.

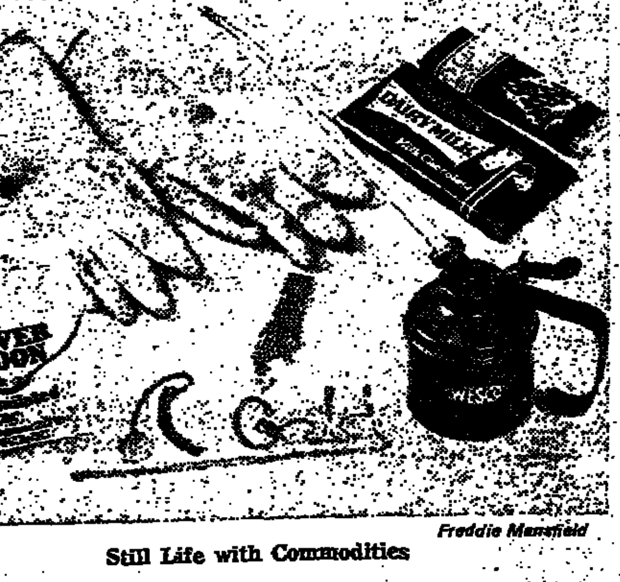
The share fund offers a better gross return than the commodity counterpart, but the tax position is less favourable, since the latter is based in Jersey and does not incur UK corporation tax. Save and Proper in London technically acts only as adviser to the offshore operation.

A similar situation applies in the case of Commodity Analysis Limited, which "advises" a commodity fund based in Bermuda. The group claims a growth in unit value of 357 per cent between January, 1976, and December, 1979, though this is somewhat distorted by the fact that no dividends are paid and that the fund is denominated in dollars, which have been losing ground against sterling over the past four years.

The approach at Commodity Analysis is altogether different from Save and Prosper's strategy. Mr. David Fuller, the group's director of research, believes that spreading investment over a wide range of commodities buys "mediocrity of performance" and says his own funds identify a small group of commodities and slowly build up substantial positions.

Last year, for example, CAL was strong in precious metals; this year it is looking at rubber and copper. Mr. Fuller also likes to take a long-term view of any commodity. "Genius," he says modestly "is a higher aptitude of patience."

As commissions on the commodity market are very low, around one half per cent altogether, Mr. Fuller says dealing costs are kept low by taking long-term positions.



Freddie Mansfield

Still Life with Commodities

In common with many commodity devotees, he feels that the public has a jaundiced view of the market, claiming that modities themselves, he maintains, is safer than buying into resource companies because they are not sensitive to strikes, bankruptcies and other misfortunes which periodically visit the corporate sector.

He also sees an advantage in the high liquidity and volume of the market, claiming that CAL can get out of a commodity faster than it could offload a large chunk of IBM. Conversely, by operating on the futures market, it is able to keep the bulk of resources on short-term cash deposit and move in quickly should the need arise. He says CAL is loath to exceed a gearing ratio of two to one.

Finally, Mr. Fuller says that commodities have consistently appreciated faster than equities or gilts and that, if traded conservatively, are stable performers. In spite of his enthusiasm, one or two caveats should be observed.

Commodity prices can be highly volatile and it is possible for a highly geared fund to find itself wiped out. Any prospectus should be studied with a fine toothcomb. Offshore funds advertising in the UK must be registered with Companies House and the advertisement must only be offering a prospectus and not seeking a financial commitment.

Since off-shore funds are not subject to Department of Trade regulations governing management fees, these too should be examined with care.

Trust sector traumas

INVESTMENT TRUSTS traditionally have been heavily weighted towards overseas markets. The proportion of their assets outside the UK has fallen a little over the past 12 months, but in the case of those which make up the FT Actuaries Investment Trust index, for example, it is still a hefty 35 per cent.

Investing in overseas markets also involves the risk of running into sharp currency movements. With sterling consistently strong over the past 12 months the impact on the many investment trusts with big U.S. portfolios (stock markets there were disappointing during 1979) is particularly great. Sterling, however, has also taken its toll on areas like Canada and Australia where equities have done well.

Investment trust managers often complain that this factor is not always taken into account when comparing investment trusts with a popular UK yardstick like the FT-Actuaries All Share Index. Some support for this view is evident from figures produced last week by stockbrokers Grieveson, Grant and Co.

Giving the percentage movement in break up value for last year in sterling terms (in other words asset value taking prior charges like loans at par), Grieveson Grant has ranked all trusts in order of merit.

The table admittedly shows that only 44 out of about 190 trusts beat the All Share index, but what stands out is the poor showing of the overseas indices matched against individual trusts.

These findings may be of academic interest to shareholders who find their shares have done less well because of the widening discount (the difference between asset value and share price in the market). But it is worth noting the sometimes difficult conditions under which investment trusts have to operate.

Figures in the table are based on the Association of Investment Trust Statistics for the first 11 months of last year and Grieveson Grant estimates for December:

% Movement in break up value
31 December 1978 to
31 December 1979—
the Top Ten

1.	Viking Resources	+59.4
2.	Authority Investments	+51.4
3.	Atlantic Assets	+32.9
4.	Daily Mail "A"	+31.1
5.	Capital Gearing	+22.3
6.	London Trust	+18.7
7.	Oil & Associated	+17.9
8.	Rothschild	+16.2
9.	Vantage Securities	+12.7
10.	North British Canadian	+12.1

Tim Dickson

A crumb of comfort from the life companies

MORTGAGES
ERIC SHORT

MR. LEONARD WILLIAMS, chief general manager of Nationwide Building Society, had some gloomy news for prospective housebuyers this week. Announcing the Nationwide's results for 1979 he commented that he does not expect an early fall in the mortgage rate of 15 per cent.

But a crumb of comfort is offered by those leading life insurance companies which put up their bonus rates for 1979. The effect of this is automatically to reduce the premiums on their low cost endowment assurances by between £1 and £2 per gross monthly premium for a £20,000 mortgage.

The low cost method of repaying a mortgage has now been on the market for a decade and is the most popular contract for housebuyers using the endowment method of repaying, since it is by far the cheapest.

Under this method the basic contract is a with-profits policy with a maturity value just enough to repay the loan at the end of the period. This maturity value is calculated assuming a bonus rate of £80 per cent of the current rate. The shortfall in the early years in cover is filled by a decreasing temporary assurance. No allowance is made for terminal bonus.

Thus when the bonus rate goes up, the basic sum assured required per £10,000 of mortgage is lower and the premiums come down. The table shows the savings from four leading life companies which have lifted their bonus rates, together with the surplus available if current bonus rates are maintained.

COMPARISON OF LOW COST ENDOWMENTS FOR A MAN AGED 34 WITH A £20,000 MORTGAGE OVER 25 YEARS

Company	Old monthly premium	New monthly premium		Estimated surplus at maturity	
				Exc. terminal bonus	Incl. terminal bonus
	gross	gross	net		
	£	£	£	£	£
Friends' Provident	33.35	31.35	25.87	4,692	9,663
Norwich Union	33.90	32.40	26.73	4,582	10,331
Royal	33.10	32.30	26.65	5,840	5,840 (a)
Scottish Widows'	34.70	33.90	27.97	5,018	10,272

(a) does not pay a terminal bonus.
The figure for Scottish Widows' assumes the current rate of terminal bonus.

Even these policies, however, do not overcome the basic disadvantage of the endowment method: this is that payments are level throughout the term and are therefore onerous at the beginning and light at the end. Many housebuyers use the straight annuity repayment method, because the outlay is lower at outset—a time when other expenses are probably heavy.

Five years ago Legal and General came up with a solution. Its low start build-up plan, started premiums at a low level and increased them by 20 per cent of the first year's premium each year for five years, after which they remained at the same level. Otherwise the scheme, basically operates on the low cost principle.

Until this week no one had followed L and G's lead but now Economic Insurance has produced its Progressive Endowment Plan.

Under this scheme the premiums increase by 10 per cent of the first year's payment over 10 years and then levels out. For example, the 34-year-old man with a £20,000 mortgage over 25 years under this plan pays a gross monthly premium of £25.31 in the first year rising to £50.62 after 10 years, against a level £37.86 gross for the normal low cost.

The plan is suitable for the first-time buyer. When he changes house and arranges a new mortgage, he can extend the term of the plan and take out a fresh policy for the balance of the mortgage without penalty and without evidence of health.

The only drawback, as far as brokers and other intermediaries are concerned, is that the initial commission is spread over three years, instead of one year for the normal policy. Perhaps that is why there has not been much demand for this type of policy.

A primer for the family

BOOKS AIMED at helping people to organise their financal affairs are two a penny. These books, usually written by financial journalists, tend to devote most of their contents to describing the various savings media available and discussing the pros and cons of each. Overall financial planning advice tends to be compressed into the final chapters.

The latest book* on the subject, released this week, has adopted a completely different approach. Its author Christopher Gilchrist, a financial journalist, starts by emphasising that it is not a do-it-yourself kit for financial planning, but a strategic primer.

Most other books have tried to be a DIY guide and overlooked the point that each individual really needs a book of his own.

Christopher Gilchrist's standpoint is that tax laws in this country are so complex and the variety of savings plans so bewildering that individuals with more than a modest sum to invest need the guidance of experts

So why write a book? The answer to this is that he also feels financial planning should be a two-way process and that it fails if people allow decisions to be made on their behalf without bringing their ideas and feelings into the picture.

The first two chapters of the book are devoted to a discussion of the need for personal planning and the factors involved. It then goes straight into the main section of the book—financial planning covering three different age groups—the young, the middle aged and the older person.

Events incidentally have already overtaken the book in that it was written before exchange controls were removed. To keep up with new developments an updating service will be available and already the first sheets on removal of exchange control are being prepared.

*The Schlesinger Guide to Personal Financial Planning by Christopher Gilchrist, published by Woodhead-Faulkner price £6.75.

Eric Short

PROPERTY

High demand in Shropshire

BY JUNE FIELD

A GLANCE in the estate agents' windows in the pleasant West Midlands market town of Shrewsbury, revealed an enormous number of sold or sale agreed labels. Shortage of property is still a major problem, with one would-be purchaser I spoke to telling me that he had been pipped at the post for some half-a-dozen houses he had been after over the last six months.

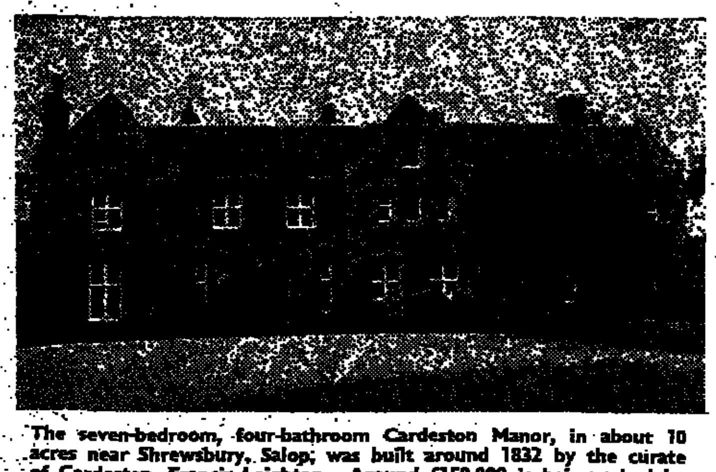
"Even now demand is relatively high," admits Mr. Alan Daborn, partner in John German Ralph Pay, whose offices are at 14 Dogpole in the centre of the town: "The most popular type of property in Shropshire is the detached country house with four bedrooms, good-sized living rooms and a few acres of ground for keeping horses or ponies. Selling in the region of £40-£50,000 there are just not enough of them coming on the market at the moment."

Although a plethora of undistinguished shopfronts have replaced some of the splendid black and white half-timbered buildings built by the wool merchants that gave Shrewsbury the accolade of "England's finest Tudor town," many still remain. When you walk through the numerous curious courtyards and winding alleyways there are the later built noble ashlar-faced red sandstone buildings of the 18th and 19th centuries when, as Defoe reported, Shrewsbury was "a beautiful and rich town—one of the most flourishing in England."

Some of the town's period buildings have been sold recently, and it is to be hoped that their architectural interest will be preserved. St. Julian's Church, mainly rebuilt in 1749 to the design of Thomas Farnolls Pritchard (architect whose original idea it was to build an iron bridge over the River Severn near Coalbrookdale), has at last been sold through John German Ralph Pay; its new use is to be an arcade shopping centre for craftsmen and the new owner is hoping to live in the 13th century tower.

Also recently sold is Pritchard's Swan Hill Court House, built for the Marquess of Bath, and described by Sir Nicholas Pevsner in The Buildings of England *Shropshire* edition as "the most ambitious later 18th century house at Shrewsbury." The Royal Salop Infirmary has been bought by a local builder. Pevsner describes this building as noble and ambitious with a virile Greek Doric portico and giant angle pilasters, while commenting that it is a great pity that the additions on the river side "are so presumptious and forgetful of the town (that) they pretty well ruin the view of Shrewsbury from the river."

A handsome house on offer at about £150,000 through John German Ralph Pay is Cardeston Manor, in nearly 10 acres at Shrewsbury, built around 1832



The seven-bedroom, four-bathroom Cardeston Manor, in about 10 acres near Shrewsbury, Salop; was built around 1832 by the curate of Cardeston, Francis Leighton. Around £150,000 is being asked by John German Ralph Pay, 14, Dogpole, Shrewsbury. Contact Alan Daborn, Shrewsbury 62128.

by the curate of Cardeston, Francis Leighton. Constructed in the Tudor style, of breccia, the local stone. It was enlarged in this century, and has seven bedrooms and four bathrooms, plus stabling, stores and two cottages, one of which is vacant.

Some 15 miles out of Shrewsbury is Telford, new town designated in 1963; originally called Dawley, but with the inclusion of Wellington and Oakengates in 1968, it was renamed Telford, after Scottish civil engineer, Thomas Telford, who started his career in 1787 as surveyor of public works in Shropshire.

Some 22 private housing developments are currently under construction on sites released by Telford Development Corporation in the East Shropshire new town. In all 45 sites (260 acres), have been released for private housing development, while over 1,700 homes have already been sold on those sites.

"This latest release of land underlines the aim of the Corporation to provide as much variety and choice in housing to cater for the widest possible market in price, location and dwelling styles," says Telford marketing and development executive Mr. Mike Morgan. "This has involved attracting major house builders such as Wimpey, Barratt, Tarmac and the Christian Salveson Group, together with a number of local builders. The location of sites is carefully planned to take maximum advantage of natural features, existing communities and new facilities."

Sites now being developed include those close to the Severn Gorge, Wrekin College, the new Telford championship-length golf course at Great Hay, and the town's 450-acre park, as well as some in Wellington, Madeley, Dawley and Ironbridge. Price levels for new properties currently range from £10,500 for a two-bedroomed terraced house to over £40,000 for a four-bedroomed detached house.

House ownership is also being encouraged by the release of land for individuals to build their own homes, both in single plots and larger areas for self-build groups. Schemes with Housing Associations are also being promoted. "The Corporation is helping to secure the future growth of private housing in the town by marketing its own houses too," stresses Mr. Morgan.

In a Homefinder Centre in Telford's principal shopping area at the heart of the town, potential purchasers can study information on all new sponsored private housing in the town, plus details of the Corporation's own mortgage facilities as well as news on individual developments. Gordon Riley, chief information officer, Telford Development Corporation, Priorslee Hall, Telford, Salop, will supply general information on the area.

As the Corporation is convinced that choice has to be the key word in successfully sponsoring and promoting home ownership, it has also initiated numerous conversions and restoration schemes.

A successful conversion was also carried out jointly with the Tarmac Group at Admaston Spa, Telford, which, in the early 19th century, was a hotel, and the area noted for the curative qualities of its waters. Over recent years both the stately building and the spa were thoroughly neglected, and the scheme now nearing completion has seen the original building converted into three splendid dwellings at prices around £60,000. It is also proposed to build several new dwellings with the spa as the nucleus, which should be ready for sale soon.

Admaston Spa, Telford, once a famous watering place, has been converted into three luxury units in the £60,000 bracket. Enquiries for new and converted properties to Mike Morgan, marketing and development executive, Telford Development Corporation, Priorslee Hall, Telford (0952 61313).

Short and tall

GARDENING

ARTHUR HELLYER

WHAT STRANGE things are happening to peas these days. First the plant breeders remove all the leaves from the culinary kind, replacing them with tendrils so that the poor things look rather like green candy floss and hold themselves up on a foam of tendrils. This makes mechanical harvesting easy, an innovation of only academic interest to home gardeners.

They have done precisely the opposite to a sweet pea, removing all its tendrils and so creating a new race christened Snoopea since it crawls along the ground unable to drag itself up even if sticks are provided for it.

This is announced as one of the great novelties for 1980. I have not seen it, but I confess to some scepticism since any sweet pea will lie flat on the ground if it has nothing up which to climb. I have never met anyone who wanted to grow them in that way.

It will be interesting to see what the gardening public makes of it. Maybe a ground-covering sweet pea that cannot scramble up anything it encounters will appeal to some. For my own part, I think I shall prefer to continue with the relatively short Knee-hi and Jet-set varieties. They only exceed by a little the 3 ft with which they are credited in most seed catalogues and they flower magnificently. I see little to choose between the two varieties as indeed, I have difficulty in telling which is which.

Last January I had no hesitation in saying that Lavatera Silver Cup was the best new hardy annual and I have had no reason to change by opinion since. It is a magnificent plant where there is room for something quite large and bushy which will cover itself with glowing pink mallow flowers for much of the summer. Mont Blanc, a pure white variety that appeared at the same time, makes a good companion for it, even though it is a little less vigorous.

There is no new hardy annual this year that I would place as firmly at the top, but among the half hardies, those that need to be started in a greenhouse, there is a new race of compact nicotianas that I think is going to please a lot of gardeners.

It is called Nicki and, so far as I can see from the catalogues, is being offered at the moment only in a mixture of colours though the breeders have isolated at least eight separate shades including a very attractive pale lime green as well as four pinks, a full red, a crimson and white.

The mixture is actually made by blending selected shades according to a formula and is not the result of random harvesting. The plants are about 15 inches high, even in growth and ideal for massing.

The practice of raising delphiniums from seed and treating them like lupins, as fairly short lived perennials, is clearly growing and plant breeders have thought it worth their while to cash in with easily raised and reliable seed strains.

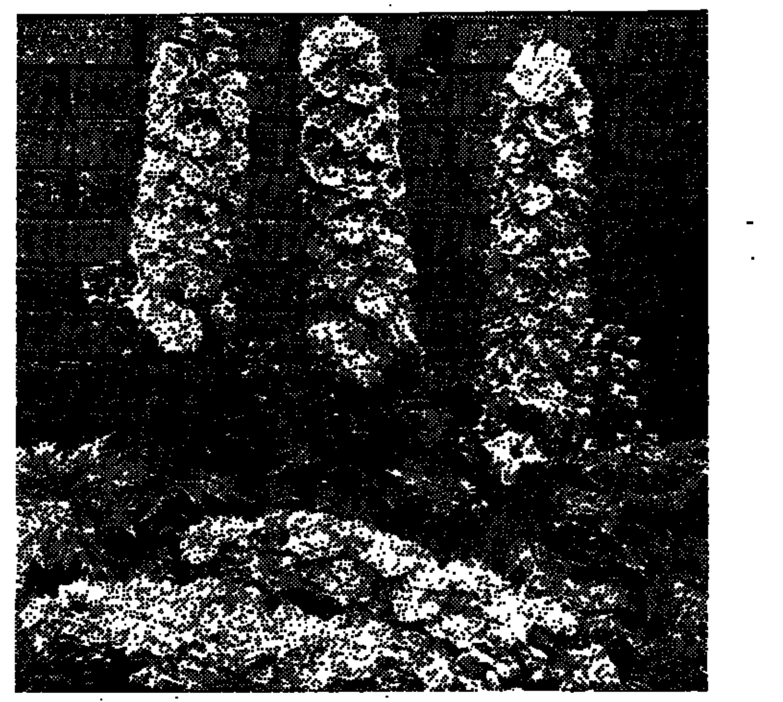
Blackmore and Langdon's large flowered mixture and Pacific Giants, also in mixed colours, have long been available and are probably still the best delphiniums of normal height grown from seed. However, there is an increasing demand for shorter delphiniums that need little or no staking and a year or so ago a good mixture of this type became available, named Dwarf Blue Fountains though they are not all blue.

Now one really blue form has been selected from this mixture and made to produce seedlings true to its own colour. This appears in several of the new seed catalogues as Blue Heaven and I am sure will be welcome.

Dahlias are also perennials, though only half hardy ones, that are being increasingly raised from seed. Mostly it is the shorter, bedding types that are being produced. Last year I grew a newcomer in this section with the collarette type of flower, which means a circle of broad petals opening flat to reveal a daisy centre surrounded by a frill of short, upstanding petals often in a contrasting colour.

It is called Dandy and I liked it very much. Also available this year is Redskin, a 15 inch high dahlia with purplish bronze leaves and double flowers in all the dahlia colours. It has won awards in American and European flower trials.

Good seed strains of carnations are beginning to rival some of the vegetatively propagated varieties in quality of flower. I was particularly impressed last summer by Crimson Knight which I saw in the Unwin trial at Histon, Cambridgeshire.



Hurst dwarf delphinium Blue Heaven

It is another award winner, a tufted plant a foot or maybe a little more in height with large, fully double crimson richly scented flowers. It needs to be sown early under glass to obtain sturdy seedlings for planting outdoors in late May or early June after which it could be treated as a half hardy perennial, given greenhouse protection in winter, and be increased by cuttings, though it is almost certainly more satisfactory and economical to raise it annually from seed.

That also seems to be the *growing opinion of many* parks superintendents about bedding geraniums which are increasingly being raised from seed each year and discarded after flowering to save expense in heating glasshouses.

But professionals have access to chemicals, such as Cyclosel, that will dwarf the plants and bring them into bloom early. Without this facility, and also bearing in mind the high cost of good geranium seed, I am doubtful whether many private gardeners will go as far as that. But many may renew from time to time from seed and after that keep the plants for several years.

Sprinter and Pacesetter, both in a mixture of colours, are the two best I have grown to-date and I find it almost impossible to tell them apart. Without chemical treatment and from an early March sowing in a heated propagator, I have had plants starting to bloom in July and in subsequent years the old plants, as well as new ones raised from cuttings taken from them, can be in flower much earlier.

In trials I have been impressed by Knockout which is a deeper red and also a little shorter than the original orange-red form of Sprinter. It is in the Unwin catalogue at roughly the same price as the others but at 10p to 12p per seed one cannot afford to have too many failures.

Dobies of Llangollen, realising the difficulty many amateurs have in germinating some of the more exacting seeds, offer special packs of small seedlings of some varieties to be sent by first class post.

These include cyclamens for winter flowering indoors or under glass, a couple of geraniums, Grenadier which is bright red and Hybrid Royal Blend, a mixture of colours, and the small flowered bedding begonia Organdy which gives a mixture of green and bronze leaved plants with white, pink or red blooms.

They are not cheap, over £5.00 per pack of ten seedlings of cyclamen or geranium or about 250 of begonia, but the time of despatch is mid-April when there is much less requirement for artificial heat than in winter, so the cost of growing on to planting out or final potting size is greatly reduced.

It is an enterprising extension of the seed trade and it will be interesting to see how it succeeds.

RESIDENTIAL PROPERTY

MOTOR CARS

MOTORING

The Subaru 1600 estate. Front wheel drive for the highway, all-wheel drive for mud, snow and sand.

Japanese all-road estate

BY STUART MARSHALL

FOR MANY OWNERS, a Land-Rover or Range Rover is a clear case of technological overkill.

What they have is an all-terrain vehicle, built to cross deserts, claw through jungles, ford torrents and climb mountains. Perversely, they use it almost entirely on the highway, have no idea of its all-terrain potential (or even how to drive it properly under these conditions) and complain that it is noisy and petrol swilling.

With all those extra sets of gears—high/low transfer box and final drives front and back—it can't help being noisy and the barn door styling does nothing to help fuel consumption. Logically, what they really need is an estate that will carry around seven hundredweight of payload; occasionally tackle rough and slippery surfaces that would bring any normal car to a wheel-spinning halt; sustain an easy 70 mph on the motorway; park like a small family saloon; and return at least 30 miles per gallon.

In short, a Subaru 1600 4WD. With becoming modesty, Subaru call the 4WD an all-road estate, not an all-terrain vehicle, to make the point that it is not a cut-price substitute for a Land-Rover, Range Rover or Jeep. For example, it would not pull a laden two-horse trailer up a 1-in-4 hill. On really bad terrain—the kind that Land-Rovers are built for—it must eventually stick because its wheels are smaller and it does not have a set of low ratio gears for climbing or descending 45 degree slopes.

However, as an alternative to those Land-Rovers and Range Rovers that hardly ever get their feet dirty but must have off-road capability in reserve, the Subaru has almost everything in its favour.

In essence, it is a four-door estate car, with a 1.6 litre, horizontally-opposed four-cylinder engine driving the front wheels through a four-speed manual transmission. Used as a road car, it rides firmly though not in the least uncomfortably, feels reassuringly strong and kept on reminding me of the old Saab 95, which had a similar carved-from-the-solid feeling.

At a motorway 70 mph, the noise from the engine, the boldly-patterned Bridgestone radials and from wind roar was *still subdued enough for the* standard MW/LW radio to be enjoyed. In town, it was as nimble to weave around in as a small family saloon. At low revs, and especially when pulling hard, the flat-four engine made a typical "boxermotor" throb, but it smoothed out as speed rose. And it was economical, at just under 32 miles per gallon of two-star for a mix of town and country driving, *with a little off-road motoring* thrown in.

The Subaru's cross-country secret is a power take-off on the gearbox and a propellor shaft coupled to the rear axle. To get four-wheel drive at any speed up to *50 mph, all you do* is flip a small lever backwards—there is no need to declutch. It then has traction enough to take it in and out of places where it might be thought a Land-Rover would be essential.

I found it particularly useful during the recent cold weather. On an icy hill, the Subaru slowed down as the front wheels lost grip. Into four wheel drivs, it instantly regained adhesion and climbed strongly to the top. For anyone living in a valley, with the risk of being snowed in after only a modest fall of an inch or two, the Subaru is made to measure. Other than a a green light shining on the fascia, and a tendency for the steering to tighten up on sharp corners, it feels no different in four-wheel drive than it does in two.

The interior is pleasant, with cloth seats and carpeted floor, though the load platform is covered in plastic on which my labrador skidded wildly the first time she leaped in. She eyed the gap between rear bumper and bodywork warily, too. The heater is powerful and a rear window wash/wipe is standard. The Subaru, despite its extra ground clearance, doesn't roll excessively on corners and handles competently. Its only vice was a reluctance to follow a straight line on a windy motorway.

The 1600 4WD estate costs £4,578, which is a fraction over £1,000 more than the similar, though not quite so high off the ground DL Estate with front-wheel drive alone. Its appearance is inoffensive though rather dated. A much better looking Subaru four-door saloon with similar two or four-wheel drive transmission was unveiled here last November and will be available soon. A re-styling of the estate (and no doubt a price increase) must be in the offing.

Having a choice of front-drive for normal motoring, or instant four-wheel drive to double traction when needed, the Subaru is an exceptionally useful and adaptable kind of car. It could earn its keep as a farm hack or *be eqully suitable to take a* family skiing, all for less than half the price (and not much more than half the petrol consumption) of a Range Rover. If Talbot haven't seriously considered giving their Rancho a similar all-wheel drive option, they should.

If you are wondering why British Leyland didn't convert one of their front-drive cars into all-wheel drive, the answer is that they did. *Nearly 15 years* ago a prototype based on the Austin/Morris 1100 and looking like a super Mini-Moke was shown to the army. It was basically front-wheel drive but the rear wheels could be powered, too, as in the Subaru. But the army decided to have a lightweight version of the Land-Rover instead and BMC, as it was then, dropped the whole idea. With hindsight, it seems a pity, because a cheap and simple British-made occasional four-wheel drive car might have been as big a success as the Land-Rover here and abroad. Though it would, of course, have hurt the Land-Rover's profitability, which is why it never happened.

RACING

BY DOMINIC WIGAN

Ideal for Drusus

BLUE CHROME and Lord Gulliver were the only two to be withdrawn at the last declaration stage for Haydock's Embassy Premier Chase final, leaving 12 runners.

Drusus heads the market for the Lancashire course's £16,000-added 2½-mile event and he seems fully entitled to that position.

The 30-lengths conqueror of Pill Box in the Ascot qualifier for the Embassy Chases on his *seasonal debut, Drusus went* on to win with almost equal ease at Cheltenham, where he had far more in hand of Jim Dandy than the five lengths margin might suggest.

These two victories were followed by a head defeat at the hands of Kybo over two miles at Ascot and a return to winning form in Sandown's State Express Young Chasers qualifier, in which Drusus made all the running to win unchallenged from Shuilaris.

He is ideally suited by this afternoon's extended trip of two and a half miles in testing conditions and he can stamp himself as a top class middle-distance chaser by accounting for the *slightly* disappointing Dramatist. Of the remainder I have most regard for Katmandu.

Jonjo O'Neill, whose wife assured me yesterday morning that he is fully recovered from his *bruised shoulder injury*, was expected to take the mount on Katmandu in the Embassy Chase final. Instead, the season's leading rider travels south to ride at Kempton.

There he renews partnership—perhaps foolhardily—with Netherton who sidelined him with that heavy fall a week ago. Other intended mounts for O'Neill on the Sunbury course are King Weasel and Starfen.

I anticipate victory for King Weasel *but do not anticipate* the other two obliging for O'Neill. In the opener, Division I of the Walton Novices Hurdle Malcus has most to fear from Shaftesbury now that Born to Reason is a non-runner.

KEMPTON

1.00—Malcus***
1.30—Big Ben
2.00—King Weasel*
2.30—Prayukta
3.00—Dyscole
3.30—Brighton Marina
4.00—White Heron

HAYDOCK

1.00—Dikaro Lady
1.30—Sheer Silk
2.00—Drusus
2.30—Roman Con
3.00—Slippery Dick
3.30—Palace Dan**

PLANT AND MACHINERY

LEISURE

Rent a tent

BY PAUL MARTIN

Camping in the Gironde at Arcachon-Pyla

There are few greater enthusiasts than those whose idea of holiday bliss is to sleep out under the stars as they temporarily exchange the world of deep freezers and central heating for today's sophisticated and increasingly comfortable life under canvas.

Although there are excellent schemes under which you can pay an inclusive price for transport, either by coach, using your own car or flying to a convenient airport and then transferring to a luxury caravan, I want to concentrate on the packages which eventually end up in a tent.

THE FRENCH, with their now long-established tradition of mass migration, like lemmings rushing headlong towards the sea, long ago realised the cost-saving of a camping holiday in a luxurious and easily erected modern tent.

It is therefore hardly surprising that many specialists in the rent-a-tent business have concentrated on France with some inexpensive inclusive offers, even on the fabled Cote d'Azur. With a wide choice of sites in France and elsewhere in Europe there are also several different permutations over travel arrangements.

The whole format, developed by Jim and Margaret Cuthbert when they first set up Canvas Holidays in quite a small way some 15 years ago, has now grown into a business with a turnover exceeding £3,000,000 a year and providing holidays in 1979 for some 50,000 people. Their brochures, and Jim Cuthbert's own descriptive booklet, are clear and easy to read. Having added 18 new sites this year, they now offer a total of 68 of which by far the largest number are in France. In what can be virtually a custom-built exercise, they can arrange overnight hotel stays to break the journey and the use of motor-rail services in addition to car and passenger ferry transport.

I have heard nothing but praise for the whole operation and remember that some years ago my colleague, Sylvie Nickels, wrote *enthusiastically* about her own experience with them.

While they also include France, NAT Eurotours feature 15-day jetaway holidays to a first class camp site at Voulas, near Glyfada and conveniently close to Athens, managed by the National Tourist Organisation of Greece at rates varying as always, according to the number of people sharing a tent.

With four or five travelling together, the inclusive cost, covering return flights and a 15-day holiday, is between £134.75 per person in May, when it is already pleasantly warm in Greece, to £164.75 during the peak season with hire of cooking equipment at £13.75 for the fortnight.

If you feel like trying out a still relatively unfamiliar area of France, Holiday Villas have a site right on the beach, L'Escale du Perthuis at La Trance-sur-Mer in the lovely Vendée region with a nearby ornithological reserve and a beach for the naturists.

Again taking the average figure of four travelling together, the rates, varying between £60 to £85 per person according to departure dates, cover car ferry transport, tent rental for 14 days, personal insurance and the use of all main services.

International Camping France Ltd (ICF), have Friday lunchtime departures to their site on the Presqu'Ile de Giens, about 5 kms from Hyères, from where you can go out to the offshore islands of Lavant and Porquerolles. The per person cost, ranging between £79 and £98, includes coach transport from London, Kings Cross, using the Dover-Boulogne route, and 14 nights accommodation.

Paxpam—the same organisation runs the successful Ski Snowball—again use overnight coach transport, leaving London on both Saturday and Monday mornings, to their two 4-star sites at Bonporteau and Selection both close to Cavalaire in the South of France. The autoroute runs virtually the whole way and, with the morning departures, you arrive early the following day. The inclusive rates, again covering two weeks, range between £69.95 and £119.95.

If you want to avoid the long haul by car down to the South of France, Sunsites have several centres in Normandy and Brittany and quote, as a sample price, £80 per person, based on two adults and two children, for a 14-day package which includes car transport Dover-Calais and two nights hotel accommodation in Paris.

The name of one of the earliest and most distinctive tents has been adopted by Wigwam International who feature Spain as well as France and Italy. Their season at Ca'Pasquali, between Lido di Jesolo and Punta Sabioni with easy access to Venice and the Dolomites, runs from May to September. Under their scheme you can split your 10-night holiday between different sites. Again using the 2 adults/2 children format, prices, which include free AA 5-star insurance, a 10-night holiday and car-ferry transport, start at £175.

Finally, one or two practical points. If you plan to fly—much easier with young children than a long car journey—do check exactly what is included at the site. On the other hand, use of your own car gives you complete mobility on arrival and you can always stuff the boot with those indispensible cornflakes, baked beans and assorted tins.

ADDRESSES:

Canvas Holidays, Bull Plain, Hertford SG14 1DY. Holiday Villas, 8 Barclay Road, Croydon, Surrey CR0 1JN. I.C.F. (International Camping France), 46 Upper Berkeley Street, London W1H 7PN. NAT Eurotours, 20 Kensington Church Street, London W8 4EP. Paxpam, 280 Fulham Road, London, S.W.10. Sunsites, 1 South Street, Dorking, Surrey RH4 2DY. Wigwam International Holidays, Wigwam House, Norwich Road, Watton, Norfolk.

The winner the league tables say should have lost

GOLF

BEN WRIGHT

THE MAN who decided that "there are lies, damned lies and statistics," knew a thing or two. The Bob Hope Desert Classic, a reporter's nightmare if ever there was one, was as usual this year played over four courses in Palm Spring, California in Pro-Am form for all but one of its five rounds. It ended finally last Monday evening after a first day washout, with a comparatively easy victory for Craig Stadler.

Stadler, who was a member of the victorious American Walker Cup team at St. Andrews in 1975—four years after we had won our solitary post World War Two victory in the series there—had been U.S. amateur champion in 1973, but this was his first major win as a professional.

This burly, *26-year-old Californian*, who weighs over 15 stones despite being only 5 ft 10 ins tall, is rather cruelly nicknamed "Walrus" because of his squat build and large moustache. He caused considerable astonishment last week by appearing on the first tee, sporting a splendid full beard in direct defiance of USPGA tour commissioner Deane Beman's unwritten but hitherto strictly enforced edict bannink such fungus.

It was still very much in evidence when I watched Stadler for a time compiling a round of five under part 66 in Phoenix, Arizona, on Wednesday that gave him a share of individual victory in the customary pro-am on the eve of this week's tournament, the Phoenix Open.

Last Saturday I referred to *the new computerised statistical* categories that are being added to the profesisonal game here, to supplement those previously published weekly—money winnings and scoring averages. Needless to say Stadler came out on top of those by winning first prize of $50,000 in the first tournament of the year, while his stroke average of 68.6 edged out Tom Purtzer and Mike Sullivan, who tied for second, who averaged 69.0.

Such statistics were unavoidable. But what *was* extremely surprising to me as a non-mathematician and which bore out misgivings about statistics expressed last week as potentially misleading, was that Stadler hardly rated a mention in the seven new categories. These are driving distance accuracy, percentage of greens hit in the regulation figure, the least average total of putts per round, most holes played in sub-par figures, most birdies and most eagles recorded.

Only in the birdie leaders' table did Stadler, who tied for fourth with 23, with Jerry Pate behind leader Larry Nelson (25). Jim Colbert and Ben Crenshaw (both 24) make a real mark. Of those who finished in the top six in the tournament, only Sullivan and Lanny Wadkins who tied for *sixth place with 22 birdies* apiece, and Purtzer, who tied for eighth with 21, get into the top 10. Wadkins also tied for sixth place in the tournament.

So the greatest number of birdies recorded did not help Stadler to win the tournament, nor did he appear in the eagle leaders' table, which was topped by Bob Murphy with three. Murphy also tied for sixth in the tournament.

Stadler, who is physically very strong, despite his unathletic build, was not placed in the top 10 for driving distance nor for driving accuracy. But before you jump in with that old American cliché that "you drive for show and putt for dough"—nonsensical drivel if ever I heard it—I hasten to add that Stadler was not among the 10 best putters in the tournament either.

In the driving distance category, which to my amazement was headed by Steve Melnyk, the U.S. amateur champion in 1969 and British champion in 1971, only Purtzer (fourth) of the top 10 finishers in the tournament, appeared in the corresponding 10 leaders. Incidentally Melnyk averaged 264.67 yards from the tee over five days, which I consider awesome considering the storms which preceded and delayed the event. Mark McCumber and Peter Jacobsen, two of the dark horses I mentioned in this category last week, were placed second and third respectively.

Not one of the ten leaders for distance appeared among the top ten drivers for accuracy, in which table Nelson, who tied for second place behind Kermit Zarley and Sullivan (tied for fourth), were the only players who finished in the top ten in the tournament.

Nor did Stadler do much better in hitting a high percentage of greens in the regulation figure. In this table he tied for tenth place in a category won conclusively by Lou Graham, who is renowned among his peers as the most consistent player in the game week by week.

So what did Stadler excel at to such an extent that he was able to win at all? In the percentage table for most holes played in sub-par figures, Stadler managed a tie for sixth. But four players who finished behind him in the tournament finished in front of, or alongside him in this category, namely Nelson (1st), Purtzer, Sullivan and Wadkins, who all tied for sixth place in this table.

This leaves us—if you are still with me—with the inevitable conclusion that Stadler was not long enough or accurate enough from the tee. He failed to hit enough greens, sink enough putts, make enough birdies or eagles, and generally beat par. Yet he won the tournament by two shots. Of course Stadler won because he made the most par figures and the least mistakes, especially when those around him with apparently better chances of winning were falling flat on their faces.

This indicates to me that there is a serious flaw in the system, namely that there should be a category to include the golfer who makes the biggest percentage of par figures. It also backs up a popularly held belief that tournaments are lost rather than won. Lastly my sincere apologies to the members of Machrihanish Golf Club, whose lovely course I chose recently to move from the Mull of Kintyre to the Isle of Arran. I can only plead that all these statistics have gone to my head.

Your Weekend £: Austria 27.60, Belgium 64.75, France 9.05, Italy 1.70, Greece 96.00, Spain 149.75, Switz. 3.57, U.S. 2.2725. Source: Thomas Cook.

Rewards of a revamp

FASHION

ARTHUR SANDLES

SHOULD YOU be the sort of jolly fellow who enjoys travel, reads Alastair McLean novels and plays squash, be careful. You already have some of the qualifications of The Self Deter*mined Man, the quaintly worded* description for a Horne Bros target customer.

Hornes is an organisation worthy of admiration. Whatever you think of the clothes, and mostly they are pretty good, they tend to get ten out of ten for effort. Now some of the Horne secret is out, for it emerges that the company is an enthusiastic user of research. It has just completed a project which looks at its customers in much the same way as my old biology teacher used to look at frogs. Now more than ever Hornes reckons it knows what its customers want and, more important perhaps, what makes them want it.

Basically what Hornes has succeeded in doing, and others, notably Burton, have failed to match, is to change an image. A few years ago the name Hornes conjured up pictures of faded reliability. Its audience was ageing and the youth of the nation was turning elsewhere. Hornes revamped and restocked. The result has been remarkable. Not high fashion perhaps, but certainly good reliable products with a modest degree of flair. It is arguable, and with some justification, that Burton also revamped its product, but somehow it has failed to shake off the image—and when I look at my local Burton as against the Regent Street version I can see why.

Horne recently enlisted the Cranfield School of Management to look at its customers in order to discover more about them, *and see if they were going the* right way about reaching them. Some aspects of the Horne Man might seem a little less than trend-setting—do they really see John Wayne and Enoch Powell as the admirable heroes the research suggests?—but otherwise he was defined as being "a pragmatist" who apparently "fears failure." He "wants to be successful and identify with success; he would love to own a status type car. He is personally angry at Britain's ills, particularly about the "British disease—the lowering of standards by immigrants and the numbers of people preferring handouts to working."

It all begins to sound as if Saturday afternoon in the Hornes branch is a bit like a mini-meeting of the Keep Britain White Party. Somehow it never seemed like that to me.

The research *indicates that* Hornes managed to buck the trend of decline in the men's multiple clothing business by being seen as good for fashion ranges, in-store atmosphere and having friendly and helpful staff. It was interesting that in many areas the main rival for similar customer appeal is Austin Reed, while the place the Horne Self Determined Man appeared to like least was C & A. The snobby little chap did not like the sort of people who shopped at Lord John.

Although many of the researchers' findings make alarming reading in terms of social comment there is little doubt that the overall impression is that companies which have taken the path of Hornes and Austin Reed, revamping without becoming extreme, making it easier for customers to browse, emphasising helpfulness in staff training are the ones to watch. If others followed the same path we might have a healthier clothing industry scene at the moment, and certainly one which would make shopping more pleasant.

Name dropping

WINTER SPORTS

ARTHUR SANDLES

AS FAR AS I am aware James Thurber was no ski enthusiast, at least his published works do not reveal such an addiction. Thurber nonetheless is one of my favourite ski companions, a fact which some friends unkindly suggest indicates my latent male chauvinism.

As far as I am concerned there is little to beat a long relaxing bath after a hard day's skiing, and the scene is completed by a glass of wine in one hand and a Thurber book in the other.

In one memorable piece of writing, Thurber bemoaned the fact that he was frequently asked to name dogs. The requests came from complete strangers who imagined that he had some expertise in the field. It is a problem with which I sympathise. Expertise is in the eyes of the beholder, it seems.

While Thurber denied any ability to name dogs, so I must confess to an inability to name the ideal ski resort. Thurber admitted to having owned 50 or more dogs in his life, and my skis have touched the snow of roughly the same number of resorts.

But there are, according to the eminent Mr. Mark Heller, about 3,200 ski resorts in the world so the ratios are somewhat wrong to start boasting of expertise. My advantage over Thurber is that there are even more dogs.

The problem is deepened by the fact that most resorts are really only as good, or as bad, as the people you meet and the weather you have. Mayrhofen is a packed, rough and tumble of a place in the Austrian Tyrol with *appalling lift queues and* ski terrain which might flatteringly be called mediocre. I have never, however, failed to enjoy myself in Mayrhofen.

Cortina d'Ampezzo on the other hand has a glossy reputation, which has attracted me three times. On each occasion the weather has been so bad that skiing has been impossible. And there is the prestige resort in which a newly acquired friend decided she preferred *the attentions of a smooth*-talking ski-instructor — not a place I care to revisit.

Answers to those questions therefore tend to be clouded by personal memories and extensive ignorance. The joy of it is that the whole subject leads to enormous arguments, where points made grow increasingly subjective as the night wears on.

Beware, therefore the expert. Listen to his advice by all means, but do your own research and sound out a few alternative sources of information. After all, he too might have lost a girl one night in a smokey beer cellar.

These confessions will not, of course, restrain my own eagerness to offer advice where it is sought. Unfortunately the question is often on the lines of: "My husband and I are going skiing with another couple. The other woman, like my husband, is a keen skier. Her husband is only having his second ski holiday, and I've never ski-ed before. Where should we go? Oh, and by the way, I like quiet small places but the other wife wants to dress up in the evenings and live it up."

Perhaps I should try naming dogs instead.

SNOW REPORTS

EUROPE		
Zermatt (Sw)	120-250 cms	Excellent skiing everywhere
Arosa (Sw)	110-140 cms	Worn patches on lower slopes
Saas Fee (Sw)	115-280 cms	Excellent skiing conditions
Grindelwald (Sw)	50-140 cms	Piste good. Off-piste heavy
Villars (Sw)	60-200 cms	Some lower slopes icy
Verbier (Sw)	60-190 cms	Good snow on most runs
Muerren (Sw)	105-145 cms	Excellent skiing on piste
Davos (Sw)	85-170 cms	Piste in perfect condition
St. Anto (Aus)	90-230 cms	Excellent skiing on piste
Seefeld (Aus)	95-135 cms	Some worn patches
Kitzbuhel (Aus)	20-120 cms	Good piste conditions
Isola (Fr)	150-180 cms	Powder on all slopes
Flaine (Fr)	90-410 cms	Clear, very good skiing
L. Plagne (Fr)	135-240 cms	Icy patches on piste
Val d'Isere (Fr)	150-220 cms	Powder on sheltered slopes
Sauze d'Oulx (It)	80-130 cms	Good skiing. Some powder
Courmayeur (It)	70-170 cms	Worn patches on low slopes

Details from Ski Club of Great Britain representatives.

THE U.S.		
Hunter (NY)	10- 45 ins	Man-made granular
Aspen (Col)	20- 64 ins	Moist powder. Snowing
Park City (Utah)	42- 69 ins	Moist powder. Snowing
Squaw Valley (Calif)	12-108 ins	Powder and Packed. Snowing

Figures indicate depth at bottom and top stations.

SCOTLAND	
Cairngorm:	Main runs complete. Hard pack, icy patches
Glenshee:	Main runs complete. Icy
Glencoe:	All runs complete. Icy
Lecht:	Main runs complete. Powder, some icy patches

Vintage bloods

BY C. P. SNOW

The Attending Physician
by R. B. Dominic. Macmillan. £4.95, 220 pages

Going It Alone
by Michael Innes. Gollancz. £4.50, 190 pages

Designs in Life
by Elizabeth Ferrars. Collins. £4.75, 193 pages

For anyone who wants a few hours relief from the prospect of the world outside the windows, here are some reputable escapes. All three books are intellectually at a higher level than most contemporary writing. The same is true of their literary cultivation. They are, in the best sense, sophisticated. Not that they, and in particular R. B. Dominic, bring any easy comfort, but they do bring the comfort of good art.

R. B. Dominic is a new pseudonym for Emma Lathen, which is itself the writing name of two brilliant and hard-minded American women. How they manage their collaboration, is something of a mystery. It is known that each possesses serious professional experience, one in finance, the other in law. They live in different States. However, the result of their collaboration is that they are writing the best detective stories in the United States, and, though they are more stylised, can bear some sort of comparison with our own P. D. James and Ruth Rendell.

R. B. Dominic, even more than Emma Lathen, fixes a sardonic and unforgiving eye on the corruptions in American society. The authors are knowledgeable about the ways in which people make dishonest dollars, and are amused about it (though there is an unspoken question hidden beneath the high-spirited wit, can America survive for ever in this fashion?) In *The Attending Physician*, they have taken a hard cool look at the medical profession. In a prosperous smallish town in Ohio called Newburg, nearly all doctors are more than prosperous, and a group of them are extravagantly rich, owning sea-going yachts, taking long rich man's holidays.

How is it done? A Congressional inquiry is plugging away at this interesting problem, and it is beginning to appear that the Newburg Seven have been making their fortunes on the lines of Dead Souls—i.e., by having medicare lists of patients who don't exist or are dead, and some who are alive but charged for somewhat improbable medical processes, such as repeated operations for hysterectomy. It is to be noted that the doctors are too certain of their position, owing to the power of their trade union and the size of their insurances, to take rudimentary care of their own fraudulent books.

The Congressional sub-committee is steadily unearthing just how much those doctors have ripped off from the Department of Health, Education and Welfare. The local Congressman for Newburg, Ben Stafford, happens to sit on the sub-committee. In the Dominic books he plays the role of John Putnam Thatcher in the Emma Lathen series. He is not so engaging as Thatcher, but honest and capable enough.

Rather surprisingly, Congressmen come off fairly lightly from R. B. Dominic's beady-eyed survey, at least so far. There is a scandal in Newburg. There is murder. The dazzling commentary doesn't tire and this is one of the most continuously entertaining books for months. The dénouement is just a shade flat, after the virtuoso skill of the Newburg scene, but I would pay that price ten times over.

Michael Innes isn't so savage about his contemporary world, but is, as he has always been, a pleasure to read, partly because in this book *Going It Alone*, of his affection, paternal but unsentimental, for the rebellious young. One of his young characters has become, without understanding why, entangled in a burglary, and his life is threatened by a criminal gang. An agreeable uncle, scholarly, cosmopolitan, sedentary, a good specimen of an Innes character, gets jerked out of his self-indulgent existence. All ends harmoniously enough.

As usual, the book purrs with literary references, and there is a general air of well-being. Perhaps too much. It has sometimes seemed to me that Innes (or rather J. I. M. Stewart, the author in his own right) has obscured some of his own genuine originality and wisdom by the intervention of too many words of other people's and an enthusiastic blandness of tone.

For instance, *Full Term*, the last of Stewart's Oxford Quintet, is a very good straight novel, but sometimes literary echoes are too strong. That can be shrugged off. More seriously, one does feel, underneath the surface, disquiets and powers that the writer, perhaps so as not to disturb the surface, is unable or unwilling to let go.

Elizabeth Ferrars: eye for female depravity

Elizabeth Ferrars has had a long and distinguished career as a first class writer of detective stories. In her own fashion, she makes as few concessions as Lathen-Dominic and is as unsparing—perhaps more so, since Lathen-Dominic are biting at human frailties and Elizabeth Ferrars at human badness. *Designs in Life* is a collection of short stories, most of which will come fresh to a good many readers, as they did to me, including one, "The Dreadful Bell," which had not been published anywhere before. It is a good example of Miss Ferrars' handling of female depravity. An even better example is "Undue Influence," the last story in the volume, as quietly horrific as anything the writer has done.

Hazlitt on the edge of despair

BY PETER QUENNELL

The Letters of William Hazlitt
edited by Herschel Moreland Sikes, assisted by William Hallam Bonner and Gerald Lahey. Macmillan. £10.00, 399 pages

All William Hazlitt's friends—and almost all his readers, apart from a few savage Tory critics—acknowledged and admired his talents; but, when it came to discussing his private character, they expressed considerable reservations. Hazlitt was a notoriously difficult man; even his appearance struck a somewhat forbidding note. His clothes were dark and dishevelled; his shirt was seldom clean; his face, framed by lank black locks, was gaunt and pale and hollow-cheeked. "Brow-hanging, shoe-contemplative, strange"—Coleridge's description of the young writer—he usually looked "as if he had no business where he happened to be," had been brought to the room "in custody" and was longing to get out again. He despised "the obscene refinement of fashionable life," having once, he said, dined at a nobleman's table, where his host monopolised the conversation; and virtuous young women invariably terrified him, though he enjoyed bohemian jaunts and low company.

His sense of style he reserved for his literary work; and as an essayist, despite some lapses into rhetorical over-exuberance, he maintains an astonishingly high standard. "Few writers, so prolific," to quote a recent American biographer, Dr. Herschel Baker, "can be read with so much steady pleasure." Again and again, our attention is caught by a phrase that appears suddenly to light up and crystallise an idea, a feeling or a scene. His scope was remarkably wide. Besides the arts of poetry and prose, he covered painting—he was a diligent painter himself—the actors and actresses he had watched and the famous speakers he had heard, and frequently branched off into far more general subjects, the pleasure of country pursuits, the joys of foreign travel, prize-fighting, wit and humour, political problems and the fear of death.

Besides his imaginative eloquence, what particularly strikes the reader is his calm, judicious tone. In 1823, therefore, his admirers were surprised and shocked by the extraordinary little book he published. *Liber Amoris* was neither sensible nor dignified. It gave a painfully detailed account of an ignominious love-affair.

In *The Letters of William Hazlitt* a collection that runs to nearly 400 pages, over 80 deal with the progress of this tragicomic episode. His chief confidant at the time was Peter George Patmore, father of the celebrated Victorian poet, and many of the sad stories that Patmore received were incorporated in the published narrative. Hazlitt's description of his sufferings and his agonised attempts at self-analysis form the most interesting section of the present book.

Elsewhere, we see him as an affectionate son, addressing the Reverend William Hazlitt, a worthy Unitarian minister; as the friend of William Godwin; the suitor of Sarah Stoddart, the respectable sharp-tongued widow, who became his first wife; and the correspondent of Henry Crabb Robinson, Francis Jeffrey, Leigh Hunt and Benjamin Robert Haydon. But, though he also appears in the guise of anxious parent, writing a long essay on the conduct of a good life for the benefit of his only child, a ten-year-old son schoolboy, his letters, except when they concern his disastrous passion for Sarah Walker, remain curiously flat and uninspired.

That passion, which his biographers have labelled "shabby" and "squalid," began in August 1820. He had recently moved to new lodgings, at the house of a London tailor named Micaiah Walker; and there his breakfast was brought up every day by his landlord's young daughter. Sarah was clearly an experienced *allumeuse*; and her beguiling looks, and the "familiarities" she sometimes allowed him, soon set fire to Hazlitt's senses. She was no beauty; yet she must evidently have possessed a mysterious fascination; and, while Mrs. Hazlitt, whose patience was wearing thin, described her as a meagre, insignificant girl, "bony as the scrag end of a neck of mutton," Hazlitt's friend, the playwright B. W. Procter, otherwise "Barry Cornwall," drew a less prosaic picture: "Her face was round and small and her eyes were motionless and glassy. She moved in a sort of wavy, sinuous manner like the movement of a snake. She was silent, or uttered monosyllables . . . Her steady unmoving gaze . . . was exceedingly unpleasant."

It was the dreadful ambivalence of Hazlitt's emotions that reduced him to despair. He loved yet hated, and could not avoid seeing the beloved image, simultaneously and with equal vividness, from two contrasted points of view. In his imagination she was both "a lodging-house decoy," trained by her mother to amuse the guests, and the epitome of all that he had ever worshipped and desired. Poor Sarah, what was her opinion of Hazlitt? And how did she fare, when this unattractive middle-aged gentleman, after endlessly bothering and importuning her, and even arranging for a good-natured accomplice to put her virtue to the proof, finally gave up the struggle?

Hazlitt was a keen admirer of Rousseau; and he sought relief in publishing his own confessions and stripping bare his wounded heart. Though *Liber Amoris* is too frenetic and generally disorganised a production to be the masterpiece that he intended, no doubt it helped to ease his pain. But Sarah he could not forget; she was the symbol of lost love, of the romantic happiness that, throughout his foot-loose bohemian existence, had persistently eluded him. "I have wanted only one thing to make me happy; but wanting that, have wanted everything!" he wrote in one of his most memorable essays.

SF under the ice-cap

BY RAY LARSEN

The Sixth Winter by Douglas Orgill and John Gribbin. The Bodley Head. £5.95, 313 pages

Science fiction often achieves its most powerful impact by taking a respectable academic theory and extrapolating it a year or two into the future. Suspense is built up by steadily stripping away the comfortable assumptions of everyday existence.

Here is a superb example of this, tautly written and well researched. Taking the harsh winters of the past decade as a starting-point it examines what could happen if temperatures continue to plunge over the next three years. The jet stream which circles the earth begins to dip, producing ice-cyclones which wipe out cities in the United States, the Soviet Union and Northern Europe. Newcastle disappears under 30 ft of snow and the ice cap extends to Birmingham. As technological civilisation grinds to a halt the Eskimo emerge as the natural survivor.

The authors, who are Fellows of the Royal Geographical Society, believe that we are now witnessing the first warning signs of the new ice age.

Far-fetched? Perhaps, but their theory has just received strong support from an eminent Belgian scientist, Genevieve Woillard. Judging by the pollen deposits found in the mud of European lakes she estimates that the next ice age could descend with remarkable swiftness within the next twenty years. All rather unnerving.

God's World, by Ian Watson, Gollancz. £5.95, 254 pages

Metaphysics replace traditional astrophysics in this novel of space travel. An interstellar drive mysteriously appears in the Gobi Desert. Following the cryptic instructions, scientists build a space ship around it which seems to respond to the power of prayer rather than any fuel known to man. This concept comes in useful once the vessel is on its way to investigate some God-like beings out in deep space.

Ian Watson again lives up to his reputation as the brilliant ideas man of British science fiction but his rather trendy mysticism may disappoint those readers who expect a plot to be based on hard science.

Blowing our own trumpet

BY RICHARD COWPER

Propaganda in War 1939-45 Organisations, Policies and Publics in Britain and Germany
by Michael Balfour. Routledge. £15.00, 520 pages

If anyone is in doubt as to the importance of propaganda in wartime let him ponder on the defeat of the U.S. in Vietnam. A major factor was the American failure to win the hearts and minds of the South Vietnamese. Equally, the Administration's inability to convince an increasingly sceptical U.S. public that the struggle was a just one played no small part in the downfall of President Johnson and seriously undermined the country's will to carry on the war. At the same time much of the Western world, including many of America's staunchest allies, increasingly came to doubt the morality of her position in Indo-China and her conduct of the war.

In any confrontation each side seeks to convince its own people, neutrals and the enemy not only that it will win because it is the stronger, but also that its victory will be in the general interest because the principles by which it is motivated are more likely to bring peace, freedom and plenty. Each side sets out to establish its own credibility and to destroy that of the enemy. These are the aims of propaganda and on nearly all these counts the Americans were unsuccessful in Vietnam.

That is not to say however that the U.S. propaganda failure was the only, or even the main, cause of her defeat. As a German broadcaster said on the day after Mussolini fell: "the sword of propaganda has great effect . . . but wars are decided on the battlefield alone." Germany's defeat in the Second World War, like America's in Vietnam, was ultimately a military one.

As Michael Balfour shows in this admirable and ambitious book on British and German propaganda in World War II it cannot be argued that Germany would have been able to win, or even fight longer had her people been induced by better propaganda to hold out more resolutely. The mistake by her Government lay largely in the fields of strategy and politics, not in propaganda.

Indeed, if anything the Germans had an inflated notion of the effectiveness of propaganda — a view that can be traced to the aftermath of the First World War when nationalists persuaded many Germans that Allied propaganda had tricked them into giving up when they could have successfully gone on fighting. The success of Nazi propaganda in helping to bring the party to power—one of the classic case studies of achievement by propaganda—only furthered the delusion.

But despite this belief Nazi control over the engines of wartime propaganda was often ill-co-ordinated, contradictory and prone to blunder. Personality differences within the Ministry for People's Enlightenment and Propaganda meant that, contrary to previous belief, Goebbels often fought a losing battle to give the whole apparatus a sense of unity and consistency. His job was made doubly difficult by Hitler's tendency to release news through other sources. The outcome was that homefront news eventually lost credibility.

The blunders which contributed to this took two forms: one kind involved premature claims of success, as instanced by the announcement in October 1941 that the war against Russia had been decided. The other was the hushing up of bad news: the German public, for example, was not told of the encirclement of the Sixth Army by the Russians. Both were self-defeating: not only did the truth soon come out, but the mistakes provided ideal propaganda weapons for the Allies.

By the end of 1941 the German public had begun seriously to distrust the adequacy of their own news. This failure gave the British a golden opportunity to fill the gap. By 1943 the German audience for the BBC was estimated by the Gestapo to be around one million. It rose steadily and by 1944 it had climbed to between 10 and 15 million. The extent to which German broadcasters devoted themselves to answering BBC arguments illustrated how worried Goebbels was at British success in breaking the Propaganda Ministry's intended monopoly over German ears.

Both sides of course tried to get people to leap to conclusions without adequate examination of the evidence; nor were the British above using the occasional lie in their propaganda efforts. Churchill, in explaining to Stalin the need to deceive the Germans about the Anglo-American invasion described truth as "so precious in war time that she should always be surrounded by a bodyguard of lies." The British did use black radio and agents to spread falsehoods either to deceive for strategic reasons or to demoralise the enemy. But that said, the differences between the two propaganda machines were greater than the similarities.

The systems, of course, reflected two very different ideologies. German emphasis on order and control, and the extreme form this took under National Socialism, meant that the Nazi attempt to gain absolute control over the media produced a dull uniformity, the effect of which was ultimately to undermine the credibility of German propaganda both at home and abroad.

The British, on the other hand, with their jealously guarded tradition of a free Press did not attempt to supervise down to the last detail the organs of propaganda. Though closer government control must have narrowed the views the British media expressed, on the whole freedom to differ was maintained. The BBC was not taken over by the government nor did the Ministry of Information issue daily directives to the Press. The result was that the British public as well as a growing number of people in occupied Europe, developed considerable confidence in the reliability of the British media.

My only criticism of what could well become a classic case-study of propaganda in wartime is the seemingly cursory review of the propaganda implications of German crimes against humanity. The murder of 6m Jews by the Nazis has, since the war, understandably provided the basis for the most profound condemnation of Hitler's regime.

And yet the British Government, though they knew what was going on, appeared to have chosen not to make a major propaganda issue out of it. Why not? Michael Balfour's seven pages on crimes against humanity come nowhere near to answering this question.

Out on their own

BY ANTHONY ROBINSON

Tito's Yugoslavia
by Duncan Wilson. Cambridge University Press. £12.00, 269 pages

The sight and sound of Soviet tanks occupying Afghanistan in defiance of world opinion has shown once again the determination of the Soviet Union to hang on to whatever it considers to be within its sphere of influence. It also serves to underline the extraordinary historical significance of Tito's break with Stalin and the Soviet system back in 1948. Not only did Yugoslavia break away from the Soviet Union it also created the first break in the Communist ideological monolith by going on to develop its home grown brand of non-alignment abroad and self-management at home. Preserving this independence from the Soviet bloc has taken on a new significance in the light of events in Afghanistan.

For those interested in the historical background to Tito's break with Stalin and the development of Yugoslav self-managing socialism over the past three decades Sir Duncan Wilson's new book *Tito's Yugoslavia* is an excellent guide. Sir Duncan was British Ambassador in Belgrade from 1964-68 before moving on to three years as Ambassador in Moscow. His account of modern Yugoslav history is in many ways a model of balanced, objective reporting on the evolution of the originally hard-line Stalinist Yugoslav leadership into the practitioners of today's highly complex and devolved system.

The book contains little which is strictly new material. Descriptions of the most traumatic events of the past three decades depend heavily on already published sources and particularly the works of Milovan Djilas and the diary of the former Yugoslav Ambassador to Moscow, Veljko Micunovic. But the aim of the book is not so much to break new ground as to provide a coherent historical account. Its main strength is the way in which it records the interplay between external pressures and domestic effects.

The purging of Djilas took place mainly to assuage the anger of the offended communist "new class" but it was also seen as part of the price to be paid for the resumption of relations with the new Soviet leadership under Khruschev. Tito's reluctant approval of the Soviet invasion of Hungary was also part of the same process. Similarly Tito's energetic repression of the Croatian "national euphoria" in 1971 was determined in large part by the constant fear of Soviet intervention — a fear reinforced by Brezhnev's clumsy offer of "assistance."

Repression of the Croatian nationalist outburst was however followed by the constitutional, self-management and party reforms which have created the present state of the nation. Its Federal nature has been emphasised by considerable devolution of political and economic power to the constituent Republics. Banks, enterprises and economic life generally run on the self-management system, and collective presidencies on a complex rotating chairman system have been established at the top levels of state and party.

The aim is to ensure a smooth transition of power after Tito, who is now 87 years old. In his conclusion Sir Duncan writes, "It is Yugoslavia's relations with the Soviet Union which are likely to be most affected when Tito is no longer at the helm . . . paradoxical as it may seem the Soviet leaders may well regret his disappearance. No other Yugoslav leader has felt the strong emotional ties which bound Tito to the idea of the Soviet revolution from 1917 onwards, or set so much hope after Stalin's death that the Soviet Union might evolve on entirely anti-Stalinist lines."

In many ways these hopes have been betrayed by events. The new generation of Yugoslavs has been brought up to see Russia as a potential threat. They have also got used to the fruits of a consumer society. In most ways Yugoslavia has moved closer to the West. After Tito this movement is likely to be more pronounced. Will the Russians then be tempted to try and de-stabilise this highly complex and diverse country in order to re-establish their hegemony? Does their historic preoccupation with warm water ports still extend to the Mediterranean via Yugoslavia? These are questions likely to be posed in the 1980s—this book helps to evaluate some of the factors involved.

Boney's battles

Napoleon, Master of Europe 1805-1807 by Alistair Horne. Weidenfeld and Nicolson. £8.95, 222 pages

Drawing comparisons between prominent historical figures is an art which has flourished at least since the days of Plutarch and there are many obvious likenesses between the careers of Napoleon and of Hitler.

Both amassed forces on the channel coasts in preparation for an invasion of England, both came to the conclusion that an invasion was not on, both turned East, conquered the best part of Europe and were eventually defeated to a large extent because of Russian fighting quality and the Russian winter.

Yet such comparisons are not very illuminating and most readers could think of them for themselves, without being prodded to do so, as they are on too many pages of this book. Still, this is a comparatively minor defect in what is a good workmanlike description of Napoleon.

The battle of Austerlitz forms the core of the book. The plan was simple, as were most of Napoleon's battle plans, and was disclosed to his troops as a whole. The Allies' plans were those forced on them by Napoleon, who therefore had little need to worry about them.

ALLAN TODD

HOW TO SPEND IT

by Lucia van der Post

Results of the New Year Quiz

WELL, I can't ever remember such a vintage entry to our annual Champagne Quiz. Entries started flowing in from the first possible day and the large cardboard box allocated to hold them all until the day of the "Big Draw" was only just large enough. More than 400 readers entered and thank you to you all.

Many readers wrote charming notes with their entries thanking us for the quiz, though one or two were a little scathing about how easy some of the questions were. The quiz on the whole was a little easier than usual and I think this, together with the variety of the questions which seemed much appreciated, accounted for the large entry.

I had hoped that because different skills and areas of knowledge were required whole families or groups of friends would get together to do the quiz and this indeed is what seems to have happened. Lots of civil servants, teachers, families and other groups sent in their group entries and I hope you all had fun. Many of the entries pulled out of the pile on Monday came so near to winning (we had to look through some 72 entries to find our first three all-correct ones) but fell down on very little things. For us it was sad to have to reject entries that were almost perfect except for the spelling of Jon Snow's name (putting in an h) or Nicholas Monsarrat's. Another time do bother to check the little details.

As we asked you to send in your entries on the actual page those without access to photo-copying machines will find the answers alone fairly unintelligible so we have tried to reprint as many of the questions as we could.

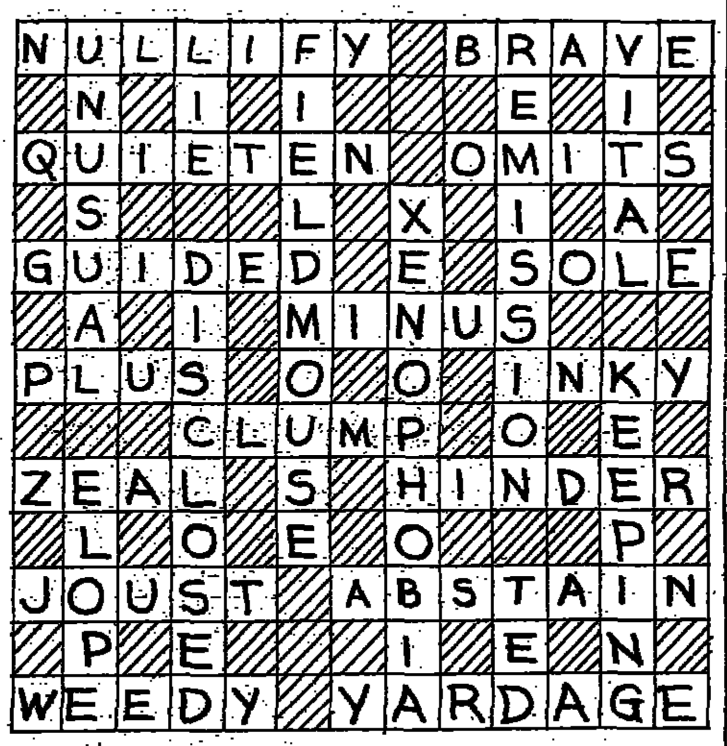
Our thanks to Quiz Digest who compiled the quiz for us and congratulations to the three winners: J. H. Perryman of Penn, Buckinghamshire; H. P. R. Mullan, of St. John's Wood, London, N.W.8 and Ian G. Johnston of Chatham, Kent. Magnums of champagne will be on their way to you shortly.

ALPHABETICAL CROSSWORD

The answers to this crossword were based on strict alphabetical order. Readers were told that the answer to clue A begins with the letter A, the answer to B with the letter B and so on. Once the clues had been thus solved, the answers had to be fitted into their correct position in the diagram.

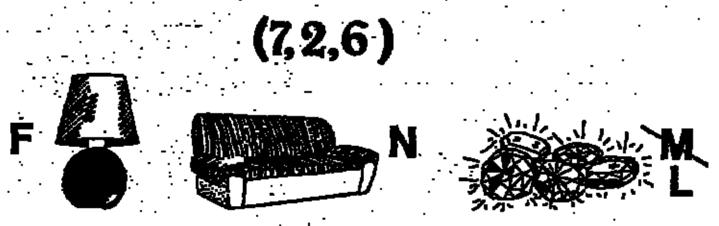
CLUES

- A Seaman leads tipsy saint in refrain (7)
- B Courageous Red Indian warrior? (5)
- C Walk heavily round a cluster of trees, perhaps (5)
- D Uncovered and divided up odd slices (9)
- E Run off with an oriental pole breaker (5)
- F Country rodent filed wrongly with a timid person (10)
- G Shown the way by a uniformed girl? (6)
- H Impede the rear, apparently (6)
- I Top of pinky is knocked off and becomes very black! (4)
- J Engage in combat over just about nothing (5)
- K Staying in east Peking, strangely enough (7)
- L Be prone to make false statements (3)
- M Take away sum in unusual way? (5)
- N Cancel out in fully reorganised manner (7)
- O Leaves out moist metamorphosis (5)
- P Sign of an adder? (4)
- Q Way to subdue a queen, it turns out (7)
- R Forgiveness of sins—concerning a religious body (9)
- S Only a fish (4)
- T Just the chap to spread the hay? (3)
- U Remarkable United Nations general (7)
- V Essential statistics for women? (5)
- W Small Scots dynamo head is lanky and feeble (5)
- X Fear of strange things resulting from a broken box I heap on (10)
- Y Three-foot measurements used to change day gear (7)
- Z Gaze aloft, concealing intense enthusiasm (4)



REBUS

(7,2,6)



FLIGHTS OF ANGELS

SPOT ON

Readers were asked to guess the markings on the last "rebekah" ladybird.

Each letter with an upward stroke (an ascender) earns a left-side spot while each letter with a downward stroke or "tail" (a descender) earns a right-side spot. Therefore there should be three spots on the left side and none on the right.

CURRENT AFFAIRS

1 Where did Skylab fall to earth?

Western Australia.

2 Where was Gracie Fields buried?

Capri.

3 On what date did *The Times* reappear on the news-stands?

November 13.

4 Who was given what at Papworth in August?

Keith Castle—a new heart.

5 Who was awarded the Nobel Peace Prize for her work in Calcutta?

Mother Teresa.

6 Name one of the three world records broken by Sebastian Coe.

800 metres, 1,500 metres, 1 mile.

7 Which British author was buried at sea?

Nicholas Monsarrat.

8 What is the name of the man who [illegible] had been hired to murder Norman Scott?

Andrew Newton.

9 What is the name of the Chinese chairman who visited Britain from October 28 to November 3?

Chairman Hua.

10 What was the name of the British freighter which rescued 982 Vietnamese boat people in the South China Sea in May this year?

Sibonga.

11 Which 1979 Wimbledon finalist married which 1978 Davis Cup finalist?

Chris Evert, John Lloyd.

12 Which UN ambassador's indiscretion caused his resignation?

Andrew Young.

13 Which former Labour Cabinet Minister lost her seat in the General Election?

Shirley Williams.

14 Who was made Warden of the Cinque Ports?

The Queen Mother.

15 Whose travels took him to Poland, Ireland, Mexico, and the U.S.?

Pope John Paul II.

16 Which cinematic "bitch" followed the "stud"?

Joan Collins.

17 Which newscaster's engagement to which television reporter was broken off?

Anna Ford, Jon Snow.

18 Where are the 1980 Olympic Games to be held?

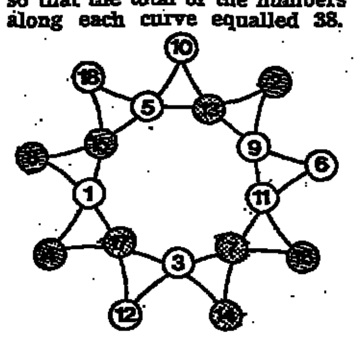
Moscow.

19 1980 will have something in common with 1944 which 1965 and 1979 did not have. What is it?

February 29 (or 366 days, a Leap Year).

MAGIC STAR

Readers were given the star with the shaded numbers already filled in. They were asked to complete the star, using the numbers one to 18, so that the total of the numbers along each curve equalled 38.



TRICKY QUICKIES

1 John is five years older than Peter. In four years time John will be three times as old as Peter was last year. What are their present ages?
John is 11 and Peter is six.

2 George is going away for the weekend and wants to take three shirts with him. There are five shirts in his wardrobe from which he can choose. How many possible different selections could he make?
Ten.

3 In a Leap Year, if New Year's Day falls on a Wednesday, on which day of the week does May Day fall?
Friday.

LOGIC TEST

Five performers were appearing in an amateur variety show at the Village Hall. Readers were asked to identify both their acts and their names and place them in order of appearance, given the following clues.

CLUES

1 The turns which open and close the first half of the show are both men.
2 Johnny Gould comes on immediately after the comedian.
3 Gloria appears later in the programme than both Innes and the pianist.
4 The lady called Harper performs immediately before the dancer.
5 The male juggler is second on the programme.
6 Tommy, who is the singer, does not open the show, and his name is not Johnson.

ANSWER

Neither of the ladies appears first (Clue 1). Nor does Tommy (Clue 6) or Johnny Gould—who follows the comedian (Clue 2) —*so Arthur must be the first* to perform. Tommy, who is the singer (Clue 6), does not appear second, which is the juggler's spot (Clue 5). Since the latter is also a man (Clue 5), this means that Tommy, the only remaining man, must be the fifth act. By elimination, the juggler in the second spot must be Johnny Gould. Therefore Arthur, who starts the show off, is the comedian (Clue 2).

This leaves the two ladies as the pianist and the dancer. Gloria is not the pianist (Clue 3), so she is the dancer and the pianist is Bella. Clue 4 now reveals that Bella appears third on the bill, and Gloria fourth, and that Bella's name is Harper. We know that two of the three performers who preceded Gloria are called Gould and Harper, but Clue 3 tells us that Innes also performed before Gloria, so that must be the name of Arthur, the comedian. As Tommy is not called Johnson (Clue 6), that is Gloria's name, and Tommy is called Fowler.

In summary:

Arthur Innes, comedian, first.
Bella Harper, pianist, third.
Gloria Johnson, dancer, fourth.
Johnny Gould, juggler, second.
Tommy Fowler, singer, fifth.

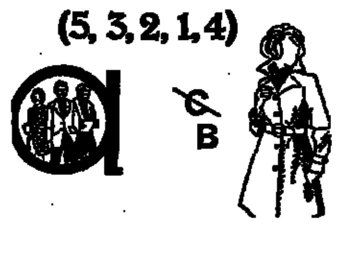
ANAREBUS

Readers were asked to write down the names of four pictured objects and then numbering the letters from 1 to 24 to crack a given numbered code to reveal three gifted travellers.

The objects were: razors, champagne, drill, bath, and the travellers were Melchior, Gaspar and Balthazar.

REBUS

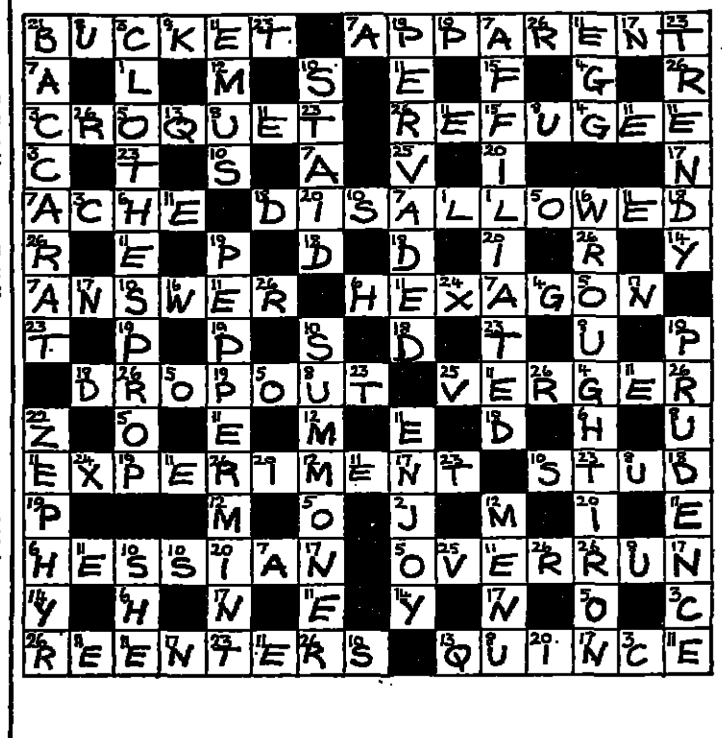
(5, 3, 2, 1, 4)



THREE MEN IN A BOAT

CROSS REFERENCE

Readers were asked to discover, with the aid of a reference grid, which letter of the alphabet each number in the diagram represents, given that 4, 8 and 15 represents G, U and F respectively.



LITERARY TYPES

Readers were asked to find the answers to the following clues and fill them in on the grid provided. Letters in shaded squares spelt out the title of a well-known play and film.

DOWN

Famous novel by H. G. Wells on which several films and a television series were based (3, 9, 3)

ACROSS

- A Dramatised version of *The Wind in the Willows* (4, 2, 4, 4)
- B Plain, practical sermon (6)
- C Jane Austen's clever, self-satisfied heroine (4)
- D Famous novel by Sir Walter Scott set in the period following the Norman Conquest (7)
- E Home of Captain Marryat's children? (3, 6)
- F French philosopher and author whose works include *Candide* (8)
- G Alistair MacLean's novel set in the polar wastes (3, 7, 5)
- H French artistic and literary movement that aimed to express the subconscious and to transcend reality (10)
- J Homer's epic poem set in the *Trojan War* (5)
- K Writer and illustrator whose works include *The Tale of Peter Rabbit* (7, 6)
- L Creator of "the Saint," the Robin Hood of crime (6, 9)
- M Babar in the children's books by Jean de Brunhoff (8)
- N Valuable gem in a famous novel by Wilkie Collins (9)
- P Lengthy novel about a tragic, adulterous love by Leo Tolstoy (4, 8)
- Q Nymphs of rivers, lakes and fountains (6)

ANSWER

DOWN

The Invisible Man

ACROSS

A, Toad of Toad Hall. B, Homily. C, Emma. D, Ivanhoe. E, New Forest. F, Voltaire. G, Ice Station Zebra. H, Surrealism J, Iliad. K, Beatrix Potter. L, Leslie Charteris. M, Elephant. N, Moonstone. P, Anna Karenina. Q, Naiads.

HIDDEN PLAY: A Man For All Seasons.

Scrumptious ways with spuds

BY JULIE HAMILTON

ONE POTATO, two potato, *three potato, four . . .* It was not until I grew my own vegetables that I discovered there were so many more varieties than those we see in the shops. One of my gardening books lists 43 different potatoes and I could add three or four more to that list.

It is a pity we do not have a greater choice in the shops because certain types of potato are ideal for one dish and disastrous for another. The flavours also vary enormously. I am still learning about potatoes but I fear there is little chance that the shops will ever offer us a wider choice or even give us the opportunity to educate ourselves in the individual merits of the different types.

Within the limitations imposed by our markets, here are a *number of recipes and suggestions that may in some cases be new to you.*

Saute Special—serves 4

If you are able to buy small, fine-skinned potatoes for this dish so much the better because the unpeeled potato adds considerably to the flavour.

1¼ lb small potatoes; 8 to 10 shallots; 2 or 3 tablespoons lemon juice; 1 teaspoon cumin, slightly crushed; 3 oz butter; 1 tablespoon olive oil; 1 teaspoon sweet paprika powder; generous amounts of salt and coarsely ground black pepper.

Peel the shallots and boil them with the whole, unpeeled potatoes. When the potatoes are almost cooked, drain off the water and allow them to become quite dry. Melt the butter and oil and, when very hot, add the potatoes and shallots. Cut the potatoes in the pan as you are frying them until they are about the size of the whole shallots. Add the crushed cumin seed, salt, pepper and lemon juice. At the last moment sprinkle on the paprika and mix well. This dish goes very well with chicken.

If you are unable to find the small, fine-skinned potatoes and *have to use Reds or Whites*, choose Reds and cook them whole and unpeeled without the shallots. Gently fry the shallots in the butter and oil until half cooked. Peel and chop the boiled potatoes and add them to the shallots. Then proceed as suggested above.

Potato Cheese Dumplings—serves 4

¾ lb peeled and boiled potatoes; 1 oz softened butter; 3 eggs; 5 oz grated cheese of your choice; a squeeze of lemon; seasoning; *oil or fat for frying.*

Push the potatoes through a fine sieve. Beat together the egg yolks, butter, grated cheese and squeeze of lemon. Mix with the potato. Season with salt and pepper. Whip the egg whites until stiff and blend with the potato mixture. Flour your hands and form dumplings in *your palms. Deep fry in hot* fat until golden brown. Drain and serve at once. Goes very well with game.

Country Potatoes

Here is a potato dish which eliminates the need for accompanying vegetables. It is ideal for large numbers.

Boiled, peeled potatoes that are not floury; courgettes; green or red peppers; onions; olive oil; chopped parsley; a chilli or two (optional); garlic; grated cheese. (Approximate proportions: to 2 lb potatoes 3 or 4 peppers. 4 or 5 courgettes and 1 or 2 onions, all depending on size).

Slice the peeled and cooked potatoes not too thinly. Cut the peppers into strips and cut the courgettes into half inch thick rounds. (If the courgettes are large, slice them lengthways and, with a teaspoon, scrape out and discard the seed and pulp which surrounds them and cut them into approximately half inch pieces).

Chop the onions fairly finely. Lightly fry the onions, peppers and courgettes in plenty of olive oil for about three minutes. Grease a baking dish (preferably earthenware). Place a layer of potato in the bottom, then spoon on a layer of the fried peppers, onions and courgettes, sprinkle with chopped parsley, garlic, salt and pepper (and chopped chilli if liked). Cover with another layer of potato and repeat as before until all the ingredients are used, making sure you finish with a layer of potato. Pour any oil left in the frying pan over the top layer of potato. Sprinkle with a little grated cheese. Bake in the oven (gas mark 5, 370F) for approximately 30 minutes.

As a variation, you can dice *cooked ham and add it to the* layers of courgettes, peppers and onions. Cover the top layer of potato with a well seasoned bechamel sauce and bake as above. Excellent served with cold chicken or turkey.

Peasant Pie serves 4 to 6

2 lb potatoes boiled in the skins; 6 hard boiled eggs; 3 oz butter; 1 onion, very finely chopped; 8 oz grated cheese; 4 oz bacon, crisply fried (optional); seasoning; 1 cup milk.

Grease an ovenproof dish. Peel and thinly slice the potatoes and hard boiled eggs. Put a layer of potatoes in the dish, sprinkle on a little onion and cheese and some of the egg. Dot with butter. salt and pepper and bacon (if including it). Cover with a layer of potato *and repeat the process, finishing* with potato sprinkled with cheese. Pour over the milk and bake in the oven (gas mark 6, 400F) for approximately 20 minutes or until browned on top.

Super Baked serves 4

4 large potatoes; 3 cloves garlic; ½ teaspoon salt; 4 shakes soy sauce; 1 heaped teaspoon of any finely chopped fresh herb you may have (thyme, parsley, basil, marjoram or mint will do); 1½ tablespoons olive oil; juice of half a lemon; lots of fresh, coarsely ground black pepper.

Pound the garlic in a mortar with the salt. When the garlic is almost liquid, add the fresh herb, pepper and soy sauce Mix well, then add the oil and finally the lemon. With a skewer, pierce the tops of the washed potatoes all over until they are sponge-like in appearance. Generously brush the garlic sauce all over the potatoes, putting plenty on the spongy tops. Bake them as you usually do, brushing them regularly with the garlic sauce. Serve as usual.

Hungarian Style

Use any potatoes other than new, but preferably Whites or another floury variety (cook as many as you need); paprika powder; vinegar; butter; caraway or dill seed.

Peel the potatoes and cut them up fairly small; boil until cooked and drain off the water. Add a generous dollop of butter, a teaspoon or two of vinegar, caraway or dill seed, salt to taste and a heaped teaspoon of paprika powder (hot or sweet according to taste).

Return to the heat and mix well, allowing a little of the potato to go mushy. If it appears too dry, add a little milk or cream and more butter. This dish goes well with any plain meat or fish.

ARTS

Back at the mill

RADIO

ANTHONY CURTIS

Radio 4's *Bertrand Russell: A Reassessment* (January 13) prompted by the fact that a decade has passed since he died was written and presented by Anthony Howard. My only quibble with it, a minor one, is with the prefix "Re-": it was a thorough assessment which left Russell at the end of the three-quarters of an hour in the same place as he was at the beginning. He seemed neither less nor more the eccentric English aristocrat with a superbly clear mind, who as a youngish man made an important contribution to philosophy, and as an old one became notorious for his escapades hogging a great many column inches in the public prints.

Nor did Mr. Howard neglect the private life which since Russell's death has become common knowledge, the four wives, the affair with Lady Ottoline Morrell, the theatrical mistress, a sort of titled Peg Woffington tucked away in Suffolk.

One of the wives, whom Russell met when she was a graduate at Girton, Dora Black, gave fascinating testimony of what it was like to be married to Russell. He was so combatively logical that any disagreement with him could easily lead to a serious breach in the relationship. Dora also reminded listeners of "Mr. Apollinax," Eliot's poem inspired by a visit Russell made to the U.S.: "His laughter tinkled among the teacups . . . *I thought . . . of Priapus in the* shrubbery . . . As his dry and passionate talk devoured the afternoon."

Luckily much of Russell's dry and passionate talk has been preserved in the BBC sound archive. The programme drew on this for the living essence of the man as he enunciated some episode in his own career as if it were an abstruse problem in logic. His latterday interventions in political affairs were considered subtly by Michael Foot, and more cynically by A. J. P. Taylor. Perhaps slightly more could have been made of Russell's attitude to D. H. Lawrence since in their day the two men represented the most powerful influences under which any arts graduate at a British University could fall. Some of Russell's best sallies were reserved for Lawrence. In reviewing the slim volume of poems which Lawrence published after his flight with Frieda, *Look We Have Come Through!* Russell said: "I am glad they have come through but I don't see why I should look." A great man and a great wit.

Another massive figure who added greatly to the gaiety of the nation in her lifetime was celebrated on radio this week. I refer to Miss Florrie Forde whose career on the Halls was the subject of the first programme in a new series *Top of the Bill* on Radio 2 (January 13) written and presented by Richard Anthony Baker. It is a series which is likely to have an appeal far wider than the hard core of Music Hall buffs. The combination of live performance, personal reminiscence, and knowledgeable linking material, all jelled together beautifully. What Russell was for Cambridge, Florrie was for the Isle of Man, the cynosure of all the holiday folk who *flocked there in July* and August. Her daily journey from her lodgings to the theatre in an open carriage was a triumphal progress attended by a cheering throng. She was the greatest exponent of audience-participation the stage has ever seen; Florrie would keep time with her bejewelled stick as she encouraged the audience to repeat the choruses of songs custom-written for the island, like "Has Anybody Here Seen Kelly?" She was a tremendous morale-booster during the First World War and it was she who popularised the song "Its a long way to Tipperary." She died suddenly during the Second but not before her most typical performances had been adequately recorded, as this programme showed.

While Florrie was belting out her invitations to "come and make eyes at me . . . ", in 1928 a young man by name of Stanley Wood was starting work in a flour-mill near Manchester. His music hall hero would more likely have been named Formby than Forde if the long hours and rigours of the job had permitted him such a treat. At any rate Mr. Wood has survived to tell the tale which he did in a grimly humorous radio play *Summer of '28* which made lively Saturday Afternoon Theatre fare (Radio 4 UK, January 12), directed by Tony Cliff. Christian Rodska was the young apprentice who suffered the horrors of initiation into the job by his ghastly workmates and the backlashes of first love, all in the space of a few traumatic weeks. The play was as gratifying as a helping of hot-pot on a frosty day.

The Craft of Art

BY WILLIAM PACKER

In a time when the imaginative sponsorship of the Arts continues to be as necessary for their survival as it seems to be in general hard to find, the Moores of the Littlewoods Organisation, father and son, shine out in the gloom, good boys indeed in a naughty world. The John Moores Liverpool Open, every two years for almost a generation past, has been the focus for the serious ambition of our better artists: and throughout the seventies Peter Moores has made it his business to fill the interval with a project of his own, promoting a major selected exhibition upon a particular theme.

The latest such exercise, the second to have been chosen by the critic, Edward Lucie-Smith, late of the Evening Standard, at the Walker Gallery, Liverpool, is called "The Craft of Art," which title is clear enough. Lucie-Smith puts it quite baldly: "Whatever the medium used, whatever the result aimed at, everything here is (in my opinion at least) excellently made — or, in a word, craftsmanlike." Well, he has never been one to duck away from his own judgments, and he sails through this show as confident as ever, and as maddeningly idiosyncratic — I nearly said perverse, enthusiastic and wrong-headed. It is all splendidly robust, stimulating and enjoyable.

He is quite right, too, on many counts. The old barriers between the disciplines may still stand, but now are easily crossed and many artists today move freely about, their work in consequence often most ambiguous in status. The question is worth exploring, and obviously intrigues Lucie-Smith. Is the admirable Sam Smith, for example, toy-maker, sculptor, or satirist? Is Polly Hope tapestry-maker or sculptor; or Beryl Cook painter or cartoonist; or Conrad Atkinson artist or polemicist?

And painting and sculpture are crafts themselves, which here is recognised by the emphasis placed in certain cases upon working procedures: we are shown many of Bridget Riley's working drawings, beautiful in themselves but also extremely informative, and Michael Leonard's manipulation of photographic reference tells us much about the nature of his paintings. The conjunction of Fred Watson's still-life sculptures, bottles, books and tables all carved from the single block, with antique furniture makes a nice point.

But Lucie-Smith was wise to add the personal rider to his [illegible] the interest [illegible] he has brought together stimulates, the actual quality, technical and otherwise, is manifestly uneven, or so it seems to me. Beryl Cook's low-life tableau, full of *fat ladies and dirty old men*, are certainly good fun, and they are set out with a certain graphic flair — but they are not well well painted, the handling crude and insensitive, and dull.

Set against Mandy Haver's fetishistic leather manikins, Polly Hope's soft sculptures seem poorly made, and Christopher Lebrun's imaginary landscapes, littered with vaguely classical pots and bits of architecture, they do have to cope with an excessively indulgent colonnaded setting; are nevertheless flat and unconvincing. The work of a group of holographists is included, to little point: the technical command is beyond my competence to judge, and wonderment that the trick is even possible, like a woman's preaching, still tends to disarm criticism.

A lecture and an Awayday grossly curtailed by British Railways combined to prevent me seeing the work of Conrad Atkinson. But there are such good things in the show that I would hate to turn anyone away. Bridget Riley's mini-retrospective, and Howard Hodgkin's too, *are real treats, his recent* Museum of Modern Art etchings especially so, Stephen Farthing, after a flashy start, appears to be lengthening his stride impressively, and Sam Smith stands up well, his drawings excellent and unexpectedly serious.

The Walker Art Gallery is worth visiting for its permanent collection, quite apart from any incidental show: this particular bonus is available until February 3.

Pictures in demand

SALEROOM

ANTHONY THORNCROFT

Prices in the London salerooms after the Christmas break are showing a much firmer trend. Christie's yesterday sold [redacted] continental paintings for £562,770, with works by German artists of the Munich School in particular demand. The top price, and a record for the artist, was the £65,000 paid for sheep watering in a wooded landscape by Johann Heinric von Zugel. It was painted in Munich in 1888. An 11.5 per cent buyers premium and VAT is added to the hammer price.

The same anonymous buyer gave £40,000 for a picture of cattle by a lakeside by Johann Friedrich Voltz. Another Munich painting it was also an artist's auction record. A self-portrait of 1902 by Max Liebermann went to a German buyer for £40,000, as against the £16,000 paid for it at auction in Germany two years ago.

Nikita Magaloff

BY DAVID MURRAY

On Thursday at the Elizabeth Hall Magaloff played all four Chopin Impromptus, all four Ballades, all four Scherzos. It was playing of extreme consistency, and shining rectitude in many of the best traditional respects. Many a younger pianist (Magaloff is 68) ought to have been haled in to hear how well the music sounds without extreme dynamics, without spotlit effects, without histrionics from the performer. These days, perhaps the most *remarkable feature of Magaloff's* Chopin is the sternly unyielding rhythm; there were many discreet expressive hesitations, but always tiny—scarcely a touch of brake or accelerator was perceptible even at major dramatic junctures.

There was little variation of tone-colour, either, and that might be thought to be carrying self-denial too far. Magaloff's touch is most of the time slightly *detaché*, in one passage or another one yearned for a sweeter legato, a broader surface or more liquid sonority. His style sounds rigidly honest, never mannered but Chopin's instrument surely boasted a richer spectrum than he chooses to draw upon. Nor did he indulge Chopin's whimsical vein: the Impromptus were all very sober, and the G-flat one positively ponderous—the flicking tail at the end of the principal section had no witty sting. With the Scherzos, on the other hand, Magaloff's strengths came fully into their own. The problematic shape of the B minor was seamlessly held together, and each of the others described a trajectory clean as a whistle: nothing exaggerated, nothing scamped.

To my ear Magaloff's Ballades were disconcerting, and the problem was maybe only mine. In a nutshell, I expect the events in those great dramatic sequences to be prepared, the turning-points to be marked. Magaloff eschewed any such pointing: every event was given its due weight when it arrived, but it nearly always arrived without any prior signalling. Hardly a paragraph was indented, so to speak, beyond what is strictly written into the notes. The music flowed steadily, innocent of any expository rhetoric. It seemed to me that its breadth was thereby diminished, too much taken on trust and un-modelled—but perhaps at Magaloff's age I shall think rhetorical devices vulgarly extraneous in Chopin's music. I wonder. Of the solid integrity of these performances, in any case, there could be no doubt at all.

The Hindsight Saga

BY ANTONY THORNCROFT

"Always keep better company than you are yourself and you won't go far wrong" was the advice old grandfather Miles, born 1832, gave to young Bernard. It was taken so well to heart that Bernard is now Lord Miles and can keep any company he wants. He chooses to spend the occasional evening reminiscing about his life with the aid of some slides, a pianist, and a charming lack of sophistication. This week he is at Riverside Studios in Hammersmith, but this gentle entertainment could pop up anywhere.

Bernard Miles grew up in what was to become Sir John Betjeman's Metroland: the bit of Bucks nearest London. Fortunately his agricultural relations were great ones for taking photographs and the shots from the family album show how long rural values and superstitions persisted, even within sight of the capital. Lord Miles modelled his celebrated dialect stories on his grandfather and two were retold, recalling the gentle pleasures of radio before television destroyed homespun soliloquies. For the rest it is a fairly faithful biotalk, from village, to grammar school, to Oxford, to stage hand, to actor, to entertainer, to advertiser, to theatre owner, to Grand Old Man.

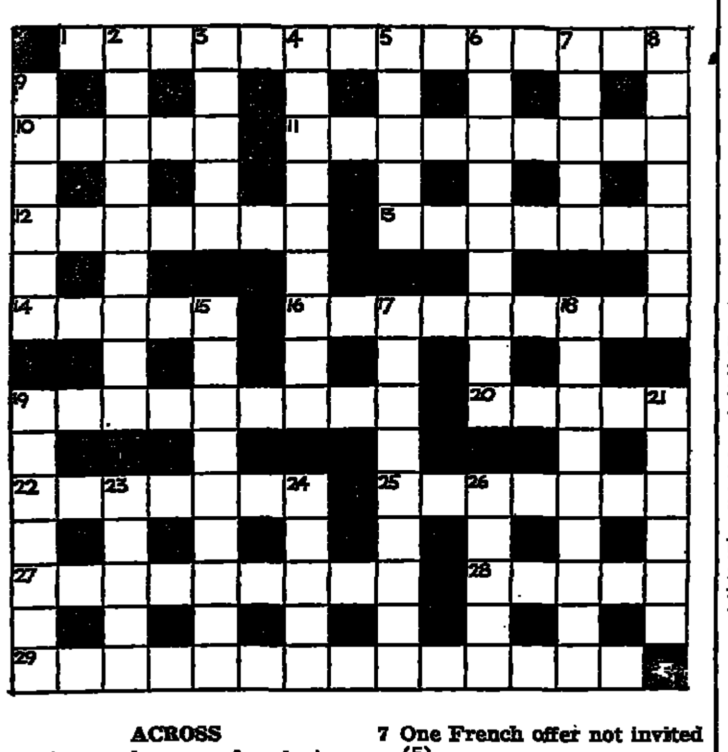
Lord Miles is such an old pro. that the way he loses himself among his memories, mixing up stories and getting quite out of sync. with the slides, only emphasises his power over an audience. I found the recollections of early life more interesting than the post-war Establishment successes, but the mixture of anecdote, theatrical stories, jokes, and old saws makes up a pleasant, undemanding evening. After getting us to join in "Jesus wants me for a sunbeam" Lord Miles scarcely used his pianist: a pity, or perhaps just another well timed slip of the memory.

F.T. CROSSWORD PUZZLE No. 4,178

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



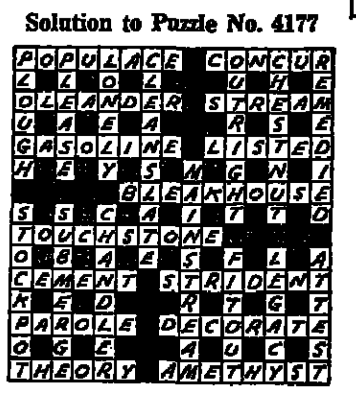
ACROSS

1 Not much money for playing about with a horse (8, 6)
10 A bit of a bore (5)
11 Good-looking graduate to daughter seemed quite awful (6, 3)
12 Swimmer surrounded by left nonsense (7)
13 Southern turn round by the French cheat (7)
14 Tin-opener on right striking fish (5)
16 Share plot for cultivation (9)
19 Persuade boss to make fastener (5, 4)
20 Gold piece found in path of spacecraft (5)
22 Ancient chief gets first class century (7)
25 Reserve organ note (7)
27 Caught by ICI's trim form of judgment (9)
28 Agitate church tea dispenser (5)
29 Rich turning up necessary (7, 2, 5)

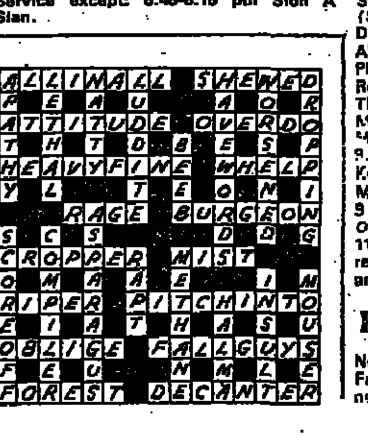
DOWN

2 Trick mother with part of mumbo-jumbo (9)
3 Out from home of northern river (5)
4 Meaning worker to have material (9)
5 Divine speculation (5)
6 Problem on board: ship's officer split down the middle (4, 2, 3)
7 One French offer not invited (5)
8 Most orderly river engulfs Amin (7)
9 Religious teacher typing first letter to poor player (6)
15 Conductor of opera Northern Ireland repeated (9)
17 Unusually mean lad is one for the girls (6, 3)
18 Measure brother a stable opening (9)
19 Quietly organised church with right trotter (7)
21 Attractive form of carriage (6)
23 Key to fell disorder (5)
24 Hang on to third-rate fish (5)
26 Parish priest has no right to right hand page (5)

Solution to Puzzle No. 4177



Solution and winners of Puzzle No. 4,172



Following are the winners of last Saturday's prize puzzle.

Mr. J. D. Eccles, Flat 1, 13 Queens Road, Richmond, Surrey.

Ms. Frances Millard, 49 St. David's Road, Southsea, Hants.

Mr. R. N. Salvesen, Capel Lodge, Beare Green, Dorking, Surrey.

TV Radio

BBC 1

9.05 am Better Badminton.
9.30 Multi-Coloured Swap Shop.
12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20); Racing from Haydock Park (12.50, 1.20, 1.50); Preview of International Rugby Union (1.10); World Cup Skiing (1.40); Rugby Union (2.10) England v. Ireland, and at 4.00 Wales v. France; 4.40 Final Score.
5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 Wonder Woman.
6.40 Jim'll Fix It.
7.15 All Creatures Great and Small.
8.05 The Dick Emery Show.
8.10 Dallas.
9.30 News.
9.40 Match of the Day.
10.40 Parkinson with guests.

All Regions as BBC1 except as follows:

Wales—2.10-4.40 pm (Grandstand Rugby Union: Wales v. France and (4.00) England v. Ireland); 5.45-5.50 Sports News Wales. 11.40 am News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 5.45-5.50 Scoreboard. 9.40-10.40 Sportscene. 11.40 am News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 5.45-5.50 Northern Ireland News. 11.40 am News and Weather for Northern Ireland.

BBC 2

11.15 am-12.30 pm Open University.
2.40 Saturday Cinema: "West of Zanzibar," starring Anthony Steel and Sheila Sim.
4.10 Play Away.
4.35 Horizon.
5.25 Mr. Smith's Indoor Garden.
5.50 Something Else.
6.30 It's Great To See.
7.00 News and Sport.
7.20 Top Table.
†8.05 Gangster Movie: "The Public Enemy," starring James Cagney and Jean Harlow.
9.30 Playhouse.
10.45 News on 2.
10.50 Midnight Movie: "They Came to Cordura," starring Gary Cooper and Rita Hayworth.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) World Cup Skiing from Switzerland; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Kempton; 1.45, 2.15 and 2.45 from Warwick; 3.10 International Sports Special (part 2) Athletics from New Zealand and Boxing from Atlantic City; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Oh Boy!
5.45 Cartoon Time.
5.55 Happy Days.
6.25 Stars in Action: "Matt Helm," starring Tony Franciosa (TV Movie).
7.45 Search For A Star.
8.45 Enemy At The Door.
9.45 News.
10.00 Heartland.
11.00 Saturday Night People.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Rosalie Crutchley reads a choice of poetry.

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Play Guitar II. 10.05 Kum Kum. 5.45 pm Mork and Mindy. 6.15 Saturday Film: "Captain Sinbad." 12.30 am At The End Of The Day.

ATV

9.10 am A Better Read. 9.35 Play Guitar II. 10.00 Clue Club. 5.45 pm Mork and Mindy. 6.15 Saturday Cinema: "Carry On Again Doctor," starring Kenneth Williams, Sidney James and Charles Hawtrey. 11.00 The Late Night Movie: "Shaft in Africa," starring Richard Roundtree.

BORDER

9.00 am A Better Read. 9.30 Play Guitar II. 10.00 Friends of Man. 5.45 pm Mork and Mindy. 6.15 Saturday Night at the Movies: "Kangaroo," starring Maureen O'Hara and Peter Lawford.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.45 Mork and Mindy. 6.15 TV Movie: "Bridger—The Fortieth Day." 11.00 Untamed World. 11.30 Barney Miller.

GRAMPIAN

9.05 am Bailey's Bird. 9.30 Sesame Street. 6.15 pm Feature Film: "Shootout," starring Gregory Peck. 11.00 Seachd Laithean. 11.15 Feature Film: "The Twilight People." 12.40 am Reflections.

GRANADA

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 5.45 Mork and Mindy. 6.15 Saturday Adventure: Maureen O'Sullivan, Richard Boone in "The Tall T." 11.00 The Saturday Premiere: "Minstrel Man." 12.45 am Second City Revue.

HTV

9.10 am Numbers at Work. 9.35 Lucan. 6.15 pm Saturday Cinema: "The Tall T." 11.00 The Late Film: "Santee," starring Glenn Ford.

HTV Cymru/Wales—As HTV General Service except: 5.45-6.15 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 10.20 Cartoon. 6.15 pm Feature Film: "Shoot Out," starring Gregory Peck. 11.00 Late Call. 11.05 Soap. 11.35 Luke's Kingdom.

SOUTHERN

9.45 am Play Guitar II. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Superman. 6.15 pm "Island of the Lost," starring Richard Greene. 11.00 Southern News. 11.05 "Prisoner in the Middle," starring David Janssen.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 Three for the Road. 9.55 Saturday Shake Up. 10.05 The Monkees. 10.30 Saturday Shake Up. †10.50 The Saturday Movie: "Abbott and Costello in Hollywood." 12.20 pm Saturday Shake Up. 6.15 Operation Cross Eagles. 11.00 Police Story. 12.40 am Epilogue.

ULSTER

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.45 Makin' It. 6.15 The Big Film: "The Tall T," starring Randolph Scott and Maureen O'Sullivan. 9.59 Ulster Weather. 11.00 Fantasy Island.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 5.46 Mork and Mindy. 6.15 TV Movie: "Shootout in a One Day Town." 11.00 *Saturday Night in The West.* 11.30 Barney Miller. 11.55 Faith For Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Cartoon Time. 9.10 Rocket Robin Hood. 9.30 Logan's Run. 6.15 pm Saturday Action Adventure: "Island Of The Lost." 11.00 The Saturday Night Film: "The Triple Echo," starring Glenda Jackson and Oliver Reed.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Stop the World . . . 1.30-6.00 Sport on 2: Rugby Special (1.30, 2.05, 2.25, 3.15, 4.50, 5.30). England v. Ireland and Wales v. France; League Football (1.30, 2.10, 2.65, 3.10, 3.45, 3.50, 4.42 and at 5.00, 5.45 classified scores); Racing from Haydock (1.30, 1.55, 4.50 and at 5.45 classified check; Cricket (1.30, 2.15, 5.30) Benson and Hedges Cup Finals; Sports Report (5.00). 6.03 Europe 80. 7.02 Beat The Record. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey (S) with The Late Show, including 12.00 News and 1.02, 2.02 am Cricket. 2.03-6.00 You And The Night And The Music (S), including 3.02, 4.02, 5.02 Cricket.

RADIO 3

7.55 am Weather. 8.00 News. 8.05 English Chamber Orchestra (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Schubert (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Allan Schiller piano recital (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.30 "The Midsummer Marriage," opera by Michael Tippett on record. Act 1 (S). 9.40 The Living Poet (reading by P. J. Kavanagh). 9.00 "The Midsummer Marriage," Acts 2 and 3 (S) including 9.35-9.40 Interval Reading. 10.50 The *Old Folks At Home (story by Daudet).* 11.05 Beethoven and Brahms piano recital (S). 11.55 News. 12.00-5.00 am Cricket: England v. West Indies.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick Of The Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday Afternoon Theatre (S). 3.30 Does He Take Sugar? 4.00 News. 4.02 God In My Language. 4.30 Time For Verse. 4.40 Come To The Opera (S). 5.25 Week Ending (S). 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with Dizzy Gillespie. 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 The Philip Jones Brass Ensemble (S). 11.45 Shades of Night. 12.00 News.

BBC Radio London

1458kHz (206m) and VHF 94.9MHz

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; weather; traffic sport. 8.15 Weekend What's On. 8.30 London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00 Join Radio 2. 7.30 Young Musicians Symphony Orchestra. 10.00-6.00 am Join Radio 2.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Duncan Johnson's Afternoon Delight (S). 6.00 Greg Edwards's Soul Spectrum (S). 8.00 Roots Rockers with David Rodigan (S). 9.00 Nicky Horne's Six of the Best (S). 12.00 After Midnight with John Sachs (S). 4.00 am The Collection (Classical Music) (S).

TV RATINGS

The BBC and ITV's Joint Industry Committee for Television Advertising Research continue to disagree over audience figures. The following are their findings for December peak audiences.

JICTAR (viewers m)

1 Poseidon Adventure (BBC)	19.30
2 Coronation St. (Dec. 3) (Gran)	18.15
3 To the Manor Born (BBC)	17.85
4 Generation Game (BBC)	17.70
5 Where Eagles Dare (BBC)	17.50

Audience share for December: ITV 48 per cent, BBC 1 42 per cent, BBC 2 10 per cent. Figures prepared by Audits of Great Britain.

BBC (viewers m)

1 Poseidon Adventure (BBC)	28.50
2 Where Eagles Dare (BBC)	25.50
3 The Sting (BBC)	19.50
4 Royal Variety (ITV)	18.00
4 To the Manor Born (BBC)	18.00

According to the BBC the December audience shares were: BBC 58 per cent and ITV 42 per cent.

US TOP TEN

W/e January 12 (Nielsen ratings)

1 Dukes of Hazzard (comedy) (CBS)	30.50
2 Dallas (drama) (CBS)	28.70
3 60 Minutes (news) (CBS)	27.60
4 Three's Company (comedy) (ABC)	27.50
5 Alice (comedy) (CBS)	27.50
6 Jeffersons (comedy) (CBS)	26.90
7 M.A.S.H. (comedy) (CBS)	26.70
8 Little House (drama) (NBS)	25.30
9 Happy Days (comedy) (ABC)	25.00
10 CHIPS (drama) (NBC)	24.60

CHESS SOLUTIONS

Solution to Position No. 303

1 P-N5, PxP; 2 P-N4, P-R6; 3 K-N3, P-R7; 4 R-R1, P-N7; 5 RxP, P-N8=Q; 6 R-KN2 ch, BxR(K-R8; 7 R-R2 ch); drawn by stalemate.

Solution to Problem No. 303

1 R-R4(threat 2 R-Q4), R-R5; 2 B-QB4, or if RxN; 2 B-N3, or if P-B4; 2 B-N7, or if RxB ch; 2 QxR. Horizontal(KR4-Q4) and backward(Q4-Q2) threats are easy to miss.

COLLECTING

BRIDGE

E. P. C. COTTER

TWENTY YEARS ago The Distribution Signal by Helge Vinye had a profound influence on defensive play. The same author has now brought out *New Ideas in Defensive Play* (Robert Hale £4.95).

In this book his theories have been greatly enlarged and now include the whole department of signalling technique. It is a very interesting book, but only, let me add, for the dedicated student of the game, and for use in tournament play with a regular partner, equally dedicated. I was most impressed by the treatment of sequence leads at No Trumps, and leads that "give the count."

I cannot describe Vinye's system in any detail—it is too far-reaching—but I can discuss two hands which will give you food for thought. We start with this:

At game all, South deals and bids one no trump, and North

N.
♠ 6 4 2
♡ Q 8
◇ K Q
♣ A J 9 7 4 2

E.
♠ J 10 9 8 5
♡ A 10 7 4
◇ 8 7
♣ 5 3

W.
♠ 7 3
♡ K J 2
◇ J 10 5 4 2
♣ Q 10 8

S.
♠ A K Q
♡ 9 6 5 3
◇ A 9 6 3
♣ K 6

raises to three. West's spade Knave is taken by South's King—a Knave lead shows, as here, a Knave-high suit, but it is also the systematic lead from A Q J x. East, however, by counting the points in dummy and in his own hand, and adding them to declarer's announced 16, knows that the Knave must be West's highest spade. Declarer cashes the club King and finesses dummy's Knave. East wins, and takes stock.

There is just room for West to hold the heart Ace—indeed, he must have it, if there is to be any chance of defeating the contract—to be accurate, he must hold at least A 10 7x.

East returns the heart Knave, an essential unblock, West wins with the Ace, and returns the four. This enables East to take his King and lead back the two, and West makes two more hearts to put declarer down. The heart switch is easy, but how many Easts do you know who would have the foresight to unblock with the Knave?

The second hand is most instructive:

N.
♠ Q 10 7 6
♡ A 4
◇ K Q 8 5
♣ K 10 3

E.
♠ A 5 3
♡ K 7 5 2
◇ 9 7 6 3
♣ 8 2

W.
♠ 4 2
♡ Q 10 6 3
◇ A J 4
♣ J 9 7 6

S.
♠ K J 9 8
♡ J 9 8
◇ 10 2
♣ A Q 5 4

At a love score North bid one diamond, South said one spade, and after a raise from his partner made a try with three clubs, and North had no hesitation in bidding four spades.

A trump lead, the author says, is particularly effective when the bidding suggests that the trump break is 4-4, and that no strong suit is held. In addition, the trump lead may provide immediate information about the leader's hand.

West leads the spade three which (as we have learnt earlier) denotes that he holds one odd and three even suits. It is clear that West's spades are three in number—an odd suit—so that his other three suits must be even.

The trump lead prevents South from ruffing two diamonds in hand. If he plays a diamond at trick two, the defenders will win and play two more rounds of trumps. So South plays a spade, West wins and continues with a third round. East can already count the hands—West's pattern must be 3-4-4-2.

At trick four declarer plays the diamond two to the Queen *and Ace, but East knows exactly* what to do—he returns the diamond Knave and defeats the contract. If South tries for a squeeze by leading back a low heart, East goes up with the Queen and destroys the threatened heart-club squeeze.

CHESS

LEONARD BARDEN

THERE IS an ancient tradition that the reigning British champion or his substitute does badly at Hastings. Although there have been exceptions, such as Jonathan Speelman's fine result in 1978-79, it is surprising how often the hoodoo reasserts its influence. This summer Robert Bellin won the Grieveson Grant British title at Chester, but the early rounds of *the ICL event at Hastings made* it clear that he would have a difficult tournament.

The trouble seems to be that the champion feels the obligation to justify his title and to play "energetically" for a positive result. But a tough grandmaster all-play-all event is different from a national Swiss system event and it is essential to get off to a solid start and avoid becoming earmarked as one of the tournament rabbits.

The result which put Bellin off course was his second round loss to the junior world champion Yasser Seirawan in the sharp pawn rush counter to the Caro-Kann 1 P-K4, P-QB3. This can be a dangerous system, as shown in several victories by Tal, but it is also double-edged, requiring accurate play to hold the initiative. The type of game Bellin hoped for is well illustrated by this win from another recent event:

White: Y. Balashov (USSR). Black: J. Bellon (Spain).

Opening: Caro-Kann (Karlovca 1979). 1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 P-K5, B-B4; 4 N-QB3, P-K3; 5 P-KN4, B-N3; 6 KN-K2, P-B3.

7 N-B4, PxP? (B-B2 is a lesser evil though 8 Q-K2 gives pressure); 8 NxB, PxN; 9 PxP, B-B4; 10 B-KB4, Q-N3; 11 Q-Q2, BxP ch? (winning material but losing by force. QxNP could be tried though the open lines after 12 R-QN1 and 13 RxP favour White); 12 QxB, QxP; 13 K-Q2! QxR; 14 B-KN5 (threat 15 B-Q3, QxR; 16 BxP mate), R-R6 (an ingenious defence, but White is ready); *15 N-N5! QxKP*; 16 B-KB4, Q-N7; 17 N-B7 ch, K-Q2; 18 BxR, Q-N5 ch; 19 K-B1, N-OR3; 20 NxR, Q-B6; 21 P-N5, Q-R6 ch (or Q-R8 ch; 22 K-Q2, QxR; 23 QxRP wins); 22 K-Q2, QxB; 23 B-N3, N-K2; 24 R-QN1, P-N3; 25 NxP ch, K-K1 and Black, a rook down, resigned.

Bellin's attempt to play in this style against Seirawan rebounded badly. If the American has a weakness, it lies in poor clock control during slow middle-game build-ups. As Bellin found, he is too good a tactician to be rushed.

White: R. Bellin (England). Black: Y. Seirawan (U.S.).

Opening: Caro-Kann (ICL Hastings, 1979-80). 1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 P-K5, B-B4; 4 N-K2, P-K3; 5 N-N3, B-N3; 6 P-KR4, P-KR4; 7 B-K2, P-QB4.

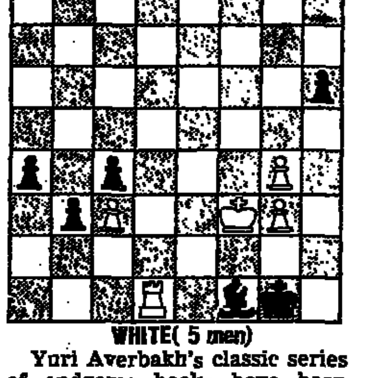
So far theory, which now gives 8 PxP, KBxP; 9 N-Q2 followed by N-N3 to control the dark squares with minor pieces. Instead Bellin makes one pawn move too many.

8 P-KB4? N-QB3; 9 PxP, KBxP; *10 B-Q3 (10 BxP, BxB*; 11 NxB, P-N3 regains the pawn with advantage), Q-N3; 11 R-B1? (White's game is already suspect but he should try 11 Q-K2), B-K2! 12 R-R1, N-R3! *13 BxB, PxB; 14 P-B3, N-KN5* (White's KB2 is often the Achilles heel in beginners' games but rarely becomes so weak so quickly in master chess); 15 Q-K2, O-O; 16 N-Q2, B-B4; 17 R-B1, QNxP! (already decisive: if 18 PxN, B-B7 ch; 19 RxB, RxR; 20 Q-Q3, RxP; 21 N2-B1, R-KB1 wins quickly); 18 N-N3, B-B7 ch! 19 RxB, Qx-R ch; 20 QxQ, N-Q6 ch; 21 K-K2, QNxQ; 22 B-Q2, P-K4; 23 PxP, QR-K1; 24 B-N5 and White resigned as Black is ahead on both material and position.

Results of Hastings International Chess tournament: ***Nunn, Andersson (Swe) 10;*** **Makarychev (USSR) 9; Speelman, Lein (U.S.), Georgadze (USSR) 8½; Short, Stean Liberzon (Israel), Christiansen (U.S.) 8; Seirawan (U.S.) 7½; Raicevic (Yugoslavia) 7; Biyiasas (U.S.) 6½; Mestel, Zilber (Israel) 5; Bellin 2½.**

POSITION No. 303

BLACK (6 men)

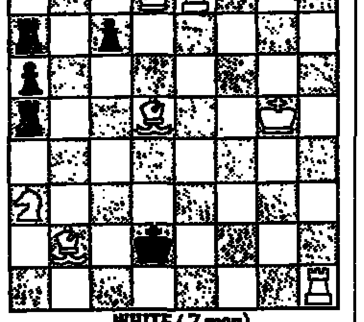


WHITE (5 men)

Yuri Averbakh's classic series of endgame books have been translated into English and produced as Batsford editions. This diagram comes from one of them. White (to move) appears helpless against the onrushing black queen's side pawns, but has an obscure way to save the game. How?

PROBLEM No. 303

BLACK (5 men)



WHITE (7 men)

White mates in two moves, against any defence (by G. Guidelli). Tourney judges gave the composer a first prize for the subtle key which solves this problem.

Solution Page 14

Illustrators of distinction

BY JUNE FIELD

THE ACQUISITION of original illustrations, whether those for a book, menu, mural, programme or poster, is *still* a neglected field. The original watercolour, drawing or pen and ink sketch has yet to be fully assessed, its worth difficult to define.

"Its apparent slightness eludes the hardened collector of English watercolours, and its position outside the cover of a book bothers the librarian," declared Simon Houfe in the excellent *Dictionary of British Book Illustrators and Caricaturists 1800-1914* (over 2,500 entries), published last year by the Antique Collectors' Club.

Mr. Houfe inherited the library of his grandfather, architect and historian Sir Albert Richardson, PRA, and through this developed an interest in illustrated books and became a collector of original drawings for them.

The pattern is of course changing as Victorian illustrators come into their own, and the last decade has seen a meteoric rise in the price of works by such big names as Leighton, Millais and Sandys as well as those of secondary figures such as John Leech, Charles Green and Richard Doyle.

For collectors in this field there are two other useful references—Forest Reid's *Illustrators Of The Eighteen Sixties* (Dover Publications, 1975), and *Victorian Book Illustration — The Technical Revolution*, by Geoffrey Wakeman (David and Charles 1973); this goes into processes and techniques, pointing up the differences in books published at the start of the 19th century, and those published at the end, due to the development of printing during the century from a hand craft to a technology.

Simon Heneage and Peter Whiteley of Potter Books are one of the few specialist dealers, their evocative exhibition about 12 months ago, *British Illustrators 1820-1920*, at the Maas Gallery, revealing what a variety of work there is for collectors. Another thing the exhibition established was some sort of a price guide; in the main, illustrations could be bought for between £25 and £250, with albums of drawings somewhat more. There were delicious drawings by Phiz (Hablot Knight Browne) 1815-1892, reputedly from a collection made by Charles Lever, many of whose books he illustrated, some from *Punch* artist Alfred Thompson, who died in 1895, brother-in-law of William De Morgan, and various pen and ink illustrations by Charles Doyle (1832-1893), father of Conan Doyle and brother of another *Punch* illustrator, Richard "Dicky" Doyle (1824-1883).

For the background of the prolific illustrators of the 1920s and '30s, many still in full production today, one of the best documentations is still *Artists At Curwen*, compiled three years ago by Pat Gilmour for *the Tate Gallery exhibition* as a celebration of the gift of artists' prints from the Curwen Studio. In the foreword, the then director, Sir Norman Reid, commented: "Those who have worked with the Curwen Studio reads as a rollcall of the most distinguished British artists of their time."

It is a fact that is apparent when going through the catalogue, where one finds such names as Claud Lovat Frazer, Albert Rutherston (brother of Sir William Rothenstein), Paul and John Nash, Edward Bawden, Eric Ravilious, Barnett Freedman, McKnight Kauffer, Graham Sutherland, John Piper, Edward Ardizzone, John Farleigh, Lynton Lamb, and Stanley Jones.

The documentation is well worth a fresh look, and copies of *Artists At Curwen* can still be obtained at £3.75, post free, from Lynda Willson, Curwen *Gallery, 1, Colville Place*, Charlotte Street, London, W.1.

Douglas Percy Bliss, for many years Director of the Glasgow School, himself a distinguished artist and illustrator, has written *Edward Bawden*, the first full-length study of this 76-year-old versatile artist, with a bibliography by Barry McKay, published at £17.50 by Pendomer Press, an offshoot of Potter Books. The book is beautifully designed by John and Griselda Lewis, printed and bound by the Scolar Press, the jacket taken from one of Bawden's wallpaper designs.

Drawing by Edward Bawden

From the Curwen Press archive, "Homage to Dicky Doyle," Victorian illustrator, 1931 drawing by Edward Bawden, featured in the new book "Edward Bawden" by Percy Bliss (Pendomer Press, £17.50).

(For a leaflet write to Simon Heneage, The Pendomer Press, The Raswell, Loxhill, Godalming, Surrey, from where catalogues of Potter Books are also issued.)

The Scolar Press have also produced *Edward Bawden: A Book of Cuts*, £7.50, in which the artist gives his method of cutting lino blocks. "The only tool I use is a sharp knife and *with it I try to cut a clean line* and at the same time draw freely. To manage the two operations at one time is a skill slowly acquired." At the recent exhibition of Bawden's graphic work at the Curwen Gallery, there were a selection of lino cuts on show, several of which are for sale at £75. At the Fine Art Society display of original drawings of Bawden's book illustrations, the price range was £65-£240.

As a war artist, Bawden formed a close friendship with Ardizzone in North Africa, and Gabriel White's new book, *Edward Ardizzone—Artist and Illustrator* (Bodley Head £12.50), is a brilliant commentary on this artist, who had been illustrating books with fine line drawings since 1929, and both writing and illustrating children's full colour picture books since 1936, first drawing for Curwen in 1938.

In *E. McKnight Kauffer: a designer and his public* (Gordon Fraser £20), Mark Haworth-Booth acclaims the partnership between Curwen and the American poster-artist who lived and worked in London from 1914-1939, as "one of the most outstanding successes in book production between the wars."

For coverage of the contemporary scene, from illustrations for pub signs to book plates, stamps to the cover of an L.P., as well as books and advertisements, *The Best of British Illustrators* (Phaidon/Graphics World £18.50), lives up to its title. For details on The Association of British Illustrators, contact Mrs. Joyce Kirkland, 10 Barley Mow Passage, *London*, W.4.

Wemyss Castle

In the article on the Wemyss revival on Saturday January 5 we stated that Wemyss Castle was the home of the Grosvenor family. Wemyss Castle is, and has been since the 13th century, the home of the Wemyss Family. We apologise for any embarrassment caused.

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Buyers seek a better hole

THE BEST summary of a worrying week in the world and in the markets came from a stockbroker: "I never read the paper until I've finished dealing, or I'd sell where I ought to buy." He is quite right. There has been nothing yet in the news to encourage the enthusiasm with which investors have bought not only gold—traditionally the funk-hole—but Government stock, and indeed British equities. Even in the property market the building societies have been emboldened by the unchecked demand for loans at 15 per cent to talk of a long term high-rate regime.

Unhealthy

In conditions like this the markets tend to live from one false dawn to another. An invitation to preliminary talks with Ministers is greeted as the end of the steel strike, a temporary respite in retail price increases as a drop in inflation, a day with no actual new crises as an easing of world tension. It is human to shy away from too solid a diet of worry, but this seems an irrational approach on the face of it. The most significant news this week has been rather forbidding, after all—the illness of President Tito overseas, the wage figures at home—and there has been no reliable reassurance.

What seems to be happening is a reversal of the psychosis of 1974-75. In that crisis, investors stampeded out of the market, until when it turned, prices doubled in a few weeks. At present a significant majority seems to be trying to stampede out of money. Even a tentative flight from money is unhealthy.

It seems possible that the reaction this time is as wrong-headed as it was the last time round, at least in domestic terms. Whereas in 1974-75, we had a Government which was only beginning to confront the task of mopping up the vast overspill of liquidity of earlier years, we have on this occasion a Government visibly determined to get both monetary and fiscal policy into a sound path as soon as possible. The promotions at the Treasury have brought younger officials more sympathetic to Government aims to the front.

Borrowing

At the Bank of England, the whole management structure has been altered to give a higher priority to monetary policy, previously rather diffused between a rarified policy group and a separate body close to the markets, and again the early-middle-aged Turks have won promotion. The money figures now show distinct progress, and the issue of £1.8bn of new stocks on top of this month's funding speaks of continuing determination.

In these circumstances, the clash between monetary targets of about 11 per cent at an annual rate and wage increases which carried the growth of earnings to an underlying 18 per cent in November will be sharp. The steel strike and the threat of a water strike is one expression of this. The increasing reports of companies in financial trouble is another. Excessive corporate borrowing, as much as excessive Government borrowing, tends to raise interest rates and thus the exchange rate. On any assessment of the fundamentals, it looks like a long, slow haul for interest rates, and a nerve-wracking period for the equity market.

Internationally, however, some flight from money is only too easy to understand, and this may well have set the tone for our own markets. Rising tensions, which have already led to the blocking of claims and the renunciation of debts between the U.S. and Iran make all international paper somewhat suspect. The Middle East and oil may in the long run remain as our biggest worry.

U.S. policies

The underlying and correct message of the international markets is that the world crisis will make it much harder to solve the economic problems of energy and world inflation. Political tensions may disrupt oil supplies just as the suppliers' cartel has begun to fall out. A greater stress on defence spending is almost purely inflationary. There may be one perversely helpful outcome: a rise in commodity prices could, as in 1974, greatly assist a number of developing countries which would otherwise be in grave difficulties over oil prices.

Once problems are faced, answers can be found. The UK's oil wealth and the high level of interest rates are only two of the reasons for sterling's recent strength—a help against inflation, though adding sharply to the pressure on industry. Mrs. Thatched and her Foreign Secretary have also begun to make a world-wide impression as determined and effective leaders. There is a revival of overseas confidence in our long-term prospects.

A similar restoration of confidence in the world scene will require visible leadership from the greatest power in the free world. President Carter's measured calm in a critical situation has already raised his standing to some extent. Next week, in his State of the Union message, he is said to be preparing new policies to meet the crisis, especially in the Middle East. If he can now assert himself, and get the effective backing of Congress for realistic and determined policies — and the taxes to pay for them—investors may poke their noses out of their funk-holes and begin, once more, to make a more rational assessment of the world.

THE RACAL-DECCA TALKS

A merger which could make U.K. electronics stronger

BY JOHN LLOYD

THE ACQUISITION by Racal of Decca—which, if talks this weekend are successful, could be announced next week—will be the merger of compatible opposites.

Which performances in the electronic sector—or indeed, among major companies throughout UK industry—could be more contrasting than these two?

To which company has the City been more respectful than to Racal and to its energetic, Cockney chairman, Mr. Ernest Harrison, and about which has it been more despairing than Decca, and its patrician, 79-year-old chairman, Sir Edward Lewis?

Decca has been seen as badly managed, with a too-small television business and a too-classical music division tacked on to its radar, navigator and electronic warfare centre, which itself has suffered from the plunging market in world shipping and growing competition from the U.S. and Japan. The company's fall into losses last year, and the further losses now reported for the first half of this financial year, were surprising only in their extent, not in their direction.

Racal has, by contrast, grown over the past 15 years by ruthless concentration on the military tactical communication market—radio communication remains nearly half of its sales—coupled with precise identification of growth markets, of which the most successful for the company is data communications. At the same time, it has picked up companies like Milgo and Vadic, two leading U.S. modem manufacturers (a modem translates analogue signals to digital ones, or vice versa), where profits have more than doubled since acquisition. Its business dealings have had the shadow of scandal pass over them: last February, two Racal executives dismissed some time before their trial were found guilty of offering bribes to a UK army officer. It appears that the company has been undamaged by the incident.

The only faltering in its growth came last month, when its interim pre-tax profits showed only a 4 per cent rise to £25.3m: yet it is a sign of its success that a rise, at a time when other electronics companies were showing falls in profit because of strong sterling and the engineering strike, should be regarded as a weakness.

These are the obvious differences: what of the compatibility?

That becomes obvious as one considers what Racal is likely to do with Decca, assuming it agrees a purchase price City analysts tended to agree on a £70-£80m price as being the most likely). Here, it becomes clear that not only could Racal do a great deal with Decca and—on not too optimistic assumptions—greatly enhance the standing of the UK electronics industry. It will also buy a company which possesses considerable strengths, albeit hidden behind underutilised assets.

This is the area in which the two show an almost text-book compatibility. Racal has hard-driving, tough management which has snapped up export opportunities on an efficient production base; its strengths are in land-based radio communications. Decca has an apparently less effective top management, is well dug into Ministry of Defence contract work, is strong in marine radar and navigation aids. Each has large customer bases which could be attracted to the products of the other.

This upnion, however, would only be happy when the non-compatible elements have been disposed of.

● The music division, it was announced yesterday, is to be largely taken over by Polygram, the Philips/Siemens record company for £9.5m. The deal is a complex one—Decca may have to pay back as much as £4m of that if record sales do badly, or may get as much as £6m more if they do well—but on first sight it appears that Polygram has struck a hard bargain. It is plucking out the famous Decca classical list, and the less famous but presumably more profitable middle-of-the-road list, while leaving Decca with unwanted pressing facilities and recording studios.

At the same time, it has taken rather less than 200 of the 1,200 staff in the music division, leaving Decca to fire the rest and pay a redundancy bill estimated at £2.5m.

Mr. David Fine, Polygram's managing director in the UK, said yesterday that "the intention was to find a fair deal here. We tried to get a middle price for the worth of the music business. There have been losses here, but we believe there is much we can do with it, given aggressive marketing."

Polygram's much wider world-wide representation should ensure a better use of the considerable assets, while developments in the videodisc market, in which Philips presently leads, should prove profitable to those holding large music libraries. At the same time, the acquisition of Decca's music publishing subsidiaries of Burlington and Palace Music, both of which are profitable, should help.

● The television division has been unprofitable for some time, though the plant at Bridgwater, in Somerset, is modern and well equipped, and the company has recently introduced an attractive range of Viewdata terminals. Racal will certainly not wish to diversify into consumer electronics (especially now)—and it seems it will not have to.

Mr. Gulu Lalvani, the chairman of Binatone, the company which some months ago acquired the microvision (pocket televisions) facility from Sinclair Radionics, said yesterday that he, in partnership with a "Far Eastern company," wants to take over the Decca plant. Both he and his partner have given the division a careful look over, and he is flying to the Far East today to discuss how much he should offer. Decca, he says, have named a figure of £2m, but Mr. Lalvani does not think it is worth anything like as much.

Its attraction to him is as a production facility for his microvisions: indeed, even if the deal falls through, he has agreed with Decca to move microvision manufacture in to Bridgwater, to take up some of the considerable overcapacity.

Even more intriguing is the identity of Mr. Lalvani's partner. He was coy on the matter, but it appears at least possible that he will team up with one of the three Korean TV set manufacturers—Gold Star, Samsung or Taihan Electric Wire. Dr. Wan Hee Kim, the President of Korea's Electronic Industries Association, was in London recently and made no secret of his interest in a European TV plant: he held meetings with the UK Government, and with the Radio Industries Council, and said he was favourably received. If the possibility materialises, South Korea will join Japan as a second dynamic entrant to the turbulent European consumer electronics market.

Assuming a successful sale of the TV division, then, Mr. Harrison may lay his hands, unencumbered, on what he presumably wants.

● The radar and electronic warfare division may be safely said to be the most desirable. Decca remains pre-eminent in the world in marine radar: although it has suffered a sharp fall in business in the large radar systems as world shipping entered and remained in a slump, it has kept a large share of the small and medium market, and had a strong presence in the London and (currently) New York boat shows.

Mr. Charles Taylor, the division's director, believes the future is bright. The U.S has already specified that larger ships must use two radar systems when entering American ports, and internationally, Mr. Taylor expects the ARPA (automatic radar plotting aids) system, which is computer-controlled, to become standard in the near future. Decca is now introducing a computer-controlled radar range.

Competition from the U.S. companies Sperry and Raytheon, and even more from the Japanese, is fierce: but Mr. Taylor believes that the profits here will be lush as the market grows.

Electronic warfare, where most of the work is done for the UK Ministry of Defence, is shrouded in secrecy: the company has developed a number of systems for naval use, and to a lesser extent airborne and army use. Much of the work is being carried out on developing electronic counter-measures: Mr. Peter Minton, the electronics expert at brokers Buckmaster and Moore, says the business is "very interesting, very fast growing and very profitable—exactly the kind of thing Racal want to get into."

● Decca's navigation division, finally, may be viewed two ways. It remains, again, the world leader in navigation systems which depend on a chain of land-based transmitters workers in phase with shipboard receivers. The company has chains all over Europe, and in Canada, Nigeria, Australia, Japan, the Gulf and Pakistan. The system is accurate, on average, to around 25 metres (varying according to the distance from the transmitter) and, since it is a rental business, is to a certain extent protected against the vagaries of the market. Obviously, then, it is a good business.

It can also be seen, however, as one on a long slow decline. The U.S. Loran and Omega systems (the latter developed for military use) are finding increasing favour: more seriously, the systems which work off satellites have now come down so far in price that they are often more economical than the Decca navigator, though not as accurate.

Decca offers Omega and satellite systems, though it is much less well represented here. Optimistically, it points to the fact that larger vessels use both the Decca navigator and a satellite system: industry observers say that if the company spent a large sum on developing an integrated unit which used both the transmitter chain and satellites, it might have a winner. It is precisely this kind of backing which Racal might be interested in supplying.

In summary, then, it seems that the unlikely may happen, and that all will turn out for the best, at least commercially. The music division may benefit from Polygram's marketing strength: the television plant may find full and profitable production with the microvision and the South Korean's production for Europe: the radar and electronic warfare side will, most agree, flourish and the navigator may have a bright future in association with a complementary system.

The losses will make themselves known later. It seems certain that there will be at least 1,000 redundancies in Decca's music division, and probably elsewhere in the group, too. If the South Koreans do not take over the television interests, it will most likely be because the Japanese have slipped in before them: in either case, another UK company will have evacuated the consumer electronics market. The music group will also be held by overseas companies: there is little cause to fear that the owners of the Deutsche Gramophon label will ruin Decca's classical list, but they are unlikely to do quite as much as Decca did, for sound commercial reasons.

If the talks succeed, Mr. Harrison will at last make the major UK acquisition he has talked of for so long: but it is part of a company only, and none of his fellows in the UK industry is likely to take up the rest.

DECCA'S FINANCIAL DECLINE

SOURCE OF FUNDS

£m	1976	1977	1978	1979
Attributable profits plus depreciation	10.0	12.2	11.1	1.4
USE OF FUNDS				
Dividends	1.8	2.1	2.3	0.7
Net spending on fixed assets	7.7	7.0	10.1	9.0
Net working capital	9.3	6.8	8.7	1.5
	18.8	15.9	21.1	11.2

RACAL'S FINANCIAL RISE

£m	1975	1976	1977	1978	1979
Turnover (Group and associates)	53.98	79.97	122.26	183.33	226.69
Pre-tax profits	9.56	19.65	32.71	49.83	61.62
Assets	22.06	34.21	74.93	104.83	143.23

Sources: Annual Reports and Accounts

THE DECLINE in Decca's fortunes over the past four years and the increasingly bleak prognosis has not gone unnoticed among professional shareholders. Two years ago the pension funds set up an informal case committee to act as a watchdog. Last autumn the Prudential Corporation (which owns 7.37 per cent of the voting shares) abandoned its traditionally low profile and, together with the Kuwait Investment Trust (9.89 per cent) openely pleated with Decca's chairman, Sir Edward Lewis, to strengthen his management.

For all this interest and concern the board of Decca has maintained total independence of action and has never been formally confronted with the need for change. In part this has been because of institutional reluctance to carry concern beyond requests for private meetings.

The greater problem has been Decca's equity structure and the mystery surrounding the true voting power. Altogether there are around 19m shares in issue, but 11.5m of these are "A" shares which carry no votes.

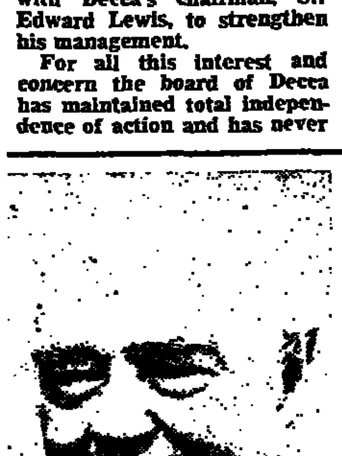
The power to make changes, therefore, resides in the 7.2m ordinary voting shares. And where these are concerned, the institutions have feared that any move on their part could be humiliatingly voted out. *Despite the combined* holdings of the Prudential and the Kuwaitis—17½ per cent—and wide holdings among the life offices and pension funds, the bulk of the votes still resides with the board and behind nominee names.

Sir Edward himself controls a total of 9.6 per cent through direct personal and trustee holdings. Dr. J. Dimenstein, the U.S. board director with Swiss connections, has another 8½ per cent, and the rest of the board's holdings bring their voting strength up to 18.06 per cent.

But the share register also contains a half a dozen exceptionally large stakes which cannot be traced. They include *486,000 shares in the* name of Credit Suisse of Zurich Nominees; 428,000 held by Hartson Nominees; 391,000 under Control Nominees; *266,000 described* as held by Bishop Nominees and 204,000 with Heathview Nominees. These are in addition to more obvious nominee holdings such as the 220,000 *in the name of* Drapers Gardens Nominees.

Until now these holdings—assumed to be firmly tied to the board—have added a further brake to institutional moves *which have, in any* case, simply not achieved the necessary impetus in time.

Now, *however*, they could be the key to the price Racal will have to pay to win *agreement for its offer*.



SIR EDWARD LEWIS
Chairman of Decca

Letters to the Editor

Wealth

From Mr. D. Franklin.

Sir — The "A to Z of Income and Wealth" (January 10) is one of the most misleading and misquoted of HM Stationery Office publications. It categorically states "that in 1976 the top 1 per cent owned more marketable wealth than the whole bottom 80 per cent."

No survey of personal wealth has ever been undertaken in the UK. The Royal Commission of Income and Wealth in 1975 found that there were no accurate figures that it could go to as they were non-existent, and stated "without knowledge of the true nature of the present distribution of income and wealth . . . views may be held by different groups which are mistakenly believed to be based on fact." The Royal Commission went to the only source of personal wealth: the estimates made by Inland Revenue, which are based on Estate Duty figures.

These are estimates of wealth of certain groups of dead persons and not the living population. (RC report No. 5: The wealth estimates may be inaccurate because they are not a representative sample of the living.) Furthermore, these figures only apply to estates assessed for death duty (Social trends HMSO 1979: Revenue Estate Duty figures are based on the concept of marketable value, excluding state and occupational pension rights, and are subject to fairly large margins of error and relate to only half the population).

The statistics assumed that 24m people have no wealth at all when 91 per cent owned TV sets, 65 per cent owned washing machines, 66 per cent owned refrigerators, 52 per cent owned motor cars apart from stereo and hi-fi instruments and houses which fell in value below the probate figure.

The estimates of wealth of the living are then based on less than half the number of the dead and calculated by the "estate multiplier" method. This divides males and females into age band groups. If the number of deaths per group is one per 1,000, it multiplies the amount of wealth of that one person by 1,000 to give the estimated wealth per group and thus per living population.

Inland Revenue statistics in 1972 said "because of the deficiences in the data, the wealth estimates should probably not be used to derive a measure of the absolute level of the concentration of wealth of individuals."

The Royal Commission repeated this warning and said "many witnesses have called our attention to the shortcomings of the Estate Duty method of calculation which are fully recognised by the Inland Revenue. Report No. 5 stated: "At present, the measurement of total wealth is no more than a theoretical possibility."

The HMSO "Everyman's guide to the spread of income and wealth" concludes with admirable words that "our job has been to present the facts." As in excess of £1m has been spent on the eight Royal Commission reports, surely the taxpayer is entitled to facts rather than faction and guestimates.

D. G. Franklin.
121, Kennington Road, SE11

Broke

From Mr. W. Stott.

Sir,—I read with interest the article "Numb, broke and angry" in last Saturday's FT. This was perhaps because when I read the article I was numb, broke and angry after having an unsuccessful encounter with the subject of the article, the automatic teller machine. There would seem to be better odds of walking away with money from a roulette table than from a certain machine in Manchester. Even when this machine can be persuaded to part with the cash, it is only after several minutes of coaxing the worn-out buttons with the delicacy of a safe cracker. Unfortunately, unlike Mr. Cottrel, I haven't the alternative of a brisk walk to another machine.

Despite all I am a firm advocate of the new technology approach to banking. Perhaps the eccentric geographical distribution of machines is best explained in terms of the degree to which my enthusiasm is shared by branch managers. Undoubtedly while managers are able to divert the tide, they cannot hold it back. I remain, therefore, until progress reaches Northern parts, a frequently numb, broke and angry reader.

William P. Q. Stott.
Britomart, Great Plumpton, Nr. Kirkham, Lancs.

Florida

From Mr. B. Kelly.

Sir,—In the first paragraph of "The changing patterns of tourism" (December 29), Mr. Sandles uses the expression attributed to Miami hoteliers "half in amazement, half in relief . . ." I really believe he should have enlarged on this reaction since I wonder if the 5,000 British tourists expected in 1980 in southern Florida know exactly what they are in for.

True from Easter probably until end of June the climate is good—rather humid perhaps but not unpleasantly hot. July, August and September, however, are not only unpleasant but almost unbearable: the latter two months are so hot and humid that as one American I spoke to about this article remarked "If they go out after 9 am and before 6 pm I'll believe everything I read about 'mad dogs and Englishmen'."

I have been coming to Florida for 13 years but emigrated here only in 1979; I realised then why so many of the natives moved to friends and relations in the north for the summer months (where incidentally the actual temperatures are sometimes much higher). In September, for instance, we had 20 inches of rain. This does not just mean an hour or so every day of heavy rain but sometimes 4/6 hours going on well into the evening—you can be soaked to the skin merely getting from your car to a supermarket.

Florida is well worth visiting at the right time but I really think the travel agents who are promoting this State for the summer months should explain in their brochures exactly what sort of climate their clients will be facing. My advice for the best times to come here—May, October and November.

B. A. Kelly,
4311 Bayshore Road, Sarasota, Florida 33580, U.S.A.

Eating

From Mr. S. Goodman

Sir,—Mr. Egon Ronay is very angry (December 22) about the various qualities of food served on transatlantic flights.

He need not be so concerned for victualling on aircraft because contracturally airlines are not obliged to provide passengers with any food or drink during flights. Such provision of food is entirely a complimentary issue given to passengers. The contract on all airline tickets does not make any mention whatsoever for the provision of food.

I therefore suggest that Mr. Ronay should advise the readers of his Lucas Guide to take their own sandwiches in future!

S. Goodman.
Simms Travel.
324, Regent Street, W1.

Mail

From the Deputy Chairman, Blackwell's

Sir,—The reply of Denis Roberts, managing director Posts, (January 14) to my letter of January 7 misses the point.

The Blackwell group is planning for the next decade. This is intrinsically difficult. It is made more so as Posts, which is one of our major suppliers of services, has made no contact about the inland service with my group to explain its intentions, or to do any market research into customer needs for the 1980s. If information is not being exchanged with customers at the grass roots, I do not understand how the Post Office can have consultations with the Post Office Users' National Council about service changes. It is precisely because the introduction of changes without doing the ground work has had such unfortunate effects in the past that I fear the next package of changes will fail to meet customers' needs.

Both I and the Mail Users' Association are always prepared to praise the Post Office when praise is due, but in running the parcel service profitably after years of losses, the postal management was doing no more than what managers of medium-sized firms have to do all the time if they and their organisations are to survive.

As a member of the MUA, however, my company is not really concerned about whether Posts and the association are marking one another alpha plus or gamma minus. Our primary concern is to find out just what we can reasonably expect in the way of inland mail services for the next decade so that our company has the best possible chance of increasing its trade in order to offer more employment, and improve the standards of living of our employees. Therefore, assistance with our planning is what we need.

Julian Blackwell.
Broad Street, Oxford.

Television

From Mr. F. Brown.

Sir, — Lombard's simplistic proposal for "competition" between the ITV companies by splitting them across two broadcasting channels ignores the basic principle, so ably expressed in the columns of your own TV critic, Chris Dunkley, that public broadcasting should aim to achieve the highest possible broadcasting standards.

It has been concluded by successive Home Secretaries, by the Independent Broadcasting Authority, by all professional TV organisations and by all analysts and committees of inquiry that all-out competition for advertising revenue between two ITV networks would lead to a lowering of programme standards all round and a limitation of choice for the viewer. We have the example of the "pap-factory" networks of the U.S.: TV advertising services which also carry programmes.

In the proposed control and management structure for the fourth TV channel, the IBA has gone more than half way towards ensuring a separate and complementary service for viewers with guaranteed maintenance of standards for programme makers.

Its financial proposals, however, have led to the mistaken conclusion that the channel can only be paid for at the expense of the Treasury levy on ITV profits.

TV4 can be financed from advertising revenue forecast as available to a minority-orientated commercial channel. A study of BBC 2 programme costs and of advertising industry opinion demonstrates this. ITV 1 can continue to account for itself independently, paying its Treasury levy according to its own profitability.

Given control of its own marketing policy as well as its own programme policy, the management team of TV4 can ensure a viable start to a new service which is intended to give the viewer (and the advertiser) something different. They should be allowed to plan against TV4 income forecasts and not be tied into the ITV 1 contractors' structures for their own network, as an ancilliary for BBC-bashing in the viewer-ratings contest.

There would seem to be a hornets' nest of politicking going on by pressure groups following narrow self-interest. This could result in lowering the standards of our national TV service, one of our few assets which are the envy of all other countries.

Frank Brown.
59, Drayton Gardens, SW10.

The misfortunes of Save and Prosper

BY TIM DICKSON

TEN YEARS ago the Save and Prosper Group was the undisputed giant among unit trusts. Funds under management bad grown from £80m in 1961 to around £480m by 1970, giving the group a commanding 33 per cent share of the unit trust market. Sales were buoyant, investment performance was impressive and, as the second half of the 1960s had proved, the group possessed a seemingly priceless vehicle in the highly successful Investment Trust Units (ITUs).

The last ten years, however, have been decidedly less rosy for Save and Prosper. The change of fortune is not immediately apparent from the company's pre-tax profits which have been variable but not out of step with the fluctuations in world stock markets. Much more conspicuous, however, has been the dramatic slide in unit trust market share (to below 20 per cent at the beginning of last year) plus the group's distinctly unexciting investment record. During the last four and six-year periods, for example, only three of Save and Prosper's 18 trusts managed to beat the Financial Times Actuaries All Share Index and over 10 years the success rate is six out of the 15 that have been in operation for that period. There have been admittedly a couple of excellent performers, notably the trusts invested in commodities, but overall the outcome has been lacklustre by any standards.

Throughout the 1970s, on the other hand Save and Prosper's chief rival, the M and G group, has been making a strong challenge. From an unexceptional base at the beginning of the decade M and G (despite being caught with its pants down by the Inland Revenue last month) has undoubtedly been the unit trust success story of the 1970s. Backed by a combination of consistently good performance and aggressive marketing M and G has increased its share of the unit trust market from under 10 per cent to more than 14 per cent and in the process earned a reputation as the widely acknowledged flagship of the unit trust sector. While many observers have been mesmerised by the rising star, few have noticed the faltering angel.

UNIT TRUSTS MANAGED BY THE TOP TEN

£million — % share in brackets

Name of Group	1970	1971	1972	1973	1974	1975	1976	1977	1978
Save and Prosper	452 (33)	633 (32)	755 (29)	552 (21)	344 (26)	633 (25)	635 (25)	746 (22)	757 (20)
M & G	122 (9)	207 (10)	277 (11)	224 (9)	143 (11)	289 (11)	301 (12)	447 (13)	549 (14)
Barclays Unicorn	86 (6)	150 (8)	268 (10)	237 (9)	140 (11)	284 (11)	273 (11)	371 (11)	384 (10)
Allied Hambro	55 (4)	92 (5)	177 (7)	165 (6)	103 (8)	184 (7)	191 (7)	273 (8)	301 (8)
Britannia	24 (2)	45 (2)	62 (2)	39 (2)	125 (10)	186 (7)	158 (6)	196 (6)	193 (5)
Hill Samuel	53 (4)	72 (4)	83 (3)	64 (2)	43 (3)	94 (4)	108 (4)	147 (4)	178 (5)
Target	37 (3)	57 (3)	68 (3)	52 (2)	38 (3)	71 (3)	73 (3)	102 (3)	107 (3)
Tyndall	76 (6)	91 (5)	111 (4)	75 (3)	35 (3)	71 (3)	59 (2)	76 (2)	105 (3)
Henderson	19 (1)	29 (1)	38 (1)	29 (1)	16 (1)	33 (1)	35 (1)	56 (2)	96 (3)
Lloyds Bank	35 (3)	46 (2)	49 (2)	35 (1)	22 (2)	58 (2)	62 (2)	85 (3)	89 (2)

Source: Money Management

Although S and P's directors make no apology for the move, the group's setbacks arguably date back to a major management decision at the beginning of the decade. "Around the beginning of the 1970s we made a conscious and deliberate decision to spread our interests. We thought it would be a good idea to move away from being largely a unit trust management group and diversify into a more broadly based financial services company," recalls Mr. David Maitland, Save and Prosper's Deputy Chairman and Managing Director. "At the time we were enjoying tremendous success with our unit trusts but we did not think it was right to rely solely on them for the future."

Diversification took two directions—the development of the group's existing insurance business and the setting up of offshore activities. The insurance side, which has grown rapidly on the back of S and P's large sales force, has become increasingly important to Save and Prosper's trading results as the profits record in the latest annual report reveals. After a contribution of £0.53m to pre-tax profits in 1973, the distribution of surplus from the long term insurance fund fell to £0.25m in 1974 but has since increased steadily so that in 1978 it contributed exactly £1m. On the other hand, the contribution from unit trust management and other activities has been disappointing—in 1973 they brought in £1.59m, falling off badly in succeeding years before recovering to £1.53m in 1978. The importance of insurance interests to S and P is even more apparent by comparison with M and G. In the year to September 1978 (the period covering its last published accounts) insurance activities chipped in a mere £120,000 of the group's £3.1m total pre-tax profits.

Save and Prosper's decision to diversify also led the group into its ill-fated venture in the U.S. with Investment Annuity Incorporated.

S and P first took a stake (35 per cent) in IAI in 1972 at a cost of $5m. Linked life insurance in the U.S. was in its infancy and IAI, having run into administrative problems, had become strapped for cash. As a result S and P stepped in, later injecting a further $2m and raising its share of the equity to 52 per cent. IAI, meanwhile, began to concentrate its marketing efforts on what turned out to be a tremendously successful single premium product for the general market. Single premium business rose from $9m in 1973 to $120m in 1976 during which period losses of $3.6m at IAI were transformed into profits of $1.6m.

Just when things were looking good, however, IAI ran into insuperable opposition from U.S. taxation officials. Nothing in its cupboard was illegal but IAI's policies had attracted a tremendous amount of publicity and the U.S. taxman decided they were too useful in helping investors to defer their tax liabilities. IAI had to stop selling the offending policies, S and P's investment in the company was written down as a result and the whole episode ended in late 1977 when the S and P stake was sold to the Life Insurance Company of North America, a subsidiary of the INA Corporation.

In retrospect it is easy to argue that the experience was a bad mistake by Save and Prosper. Quite apart from the embarrassment caused by being forced to pull out of the U.S., it cost the group precious management time and money (in the end a total of about £1m). On the other hand, failure was due as much to bad luck as to bad judgment and even today Mr. Maitland admits, "In some ways I still find it difficult to regret the decision."

Time loss

He goes on: "We did put in a lot of management time and effort into this piece of diversification. We did some very smart marketing and in retrospect this took up the time of a lot of talented people who could well have been useful back in the UK. The whole venture, in fact, took our eye off the ball." He adds: "If it had been a marvellous success it wouldn't have mattered. But while we were preoccupied in the U.S. products in the UK didn't change as quickly as they should and our administrative systems were not updated. As a result the UK marketing and distribution departments possibly got a bit understaffed."

Mr. Maitland, however, remains convinced that diversification was right. "There was a time through 1974, 1975 and 1976 when things looked pretty rough in the UK and a diversification in the U.S. looked rather clever. The concept was excellent, but in practice it failed."

S and P's disappointing unit trust performance is partly a reflection of its preoccupation elsewhere; it is also one of the causes of the group's loss of share in the unit trust market.

Although Save and Prosper admits to taking its eye off the ball as a result of its U.S. venture, many City observers attribute its pale investment performance more to the whole UK investment management structure. Until 1976 all the group's equity investment management was farmed out to merchant bankers Robert Fleming (which looked after the London-based trusts) and investment managers Ivory and Sime (which took care of the Scottish ones). Robert Fleming and Atlantic Assets, an investment trust managed by Ivory and Sime, are two of S and P's major shareholders each with 26.3 per cent of the equity. Other shareholders are the Bank of Scotland (11.6 per cent), Baring Brothers (26.3 per cent), Phoenix Assurance (5.6 per cent) and the executive directors and employees (3.9 per cent).

Three years ago the first step towards full management independence was taken when S and P took all its investment decision making under one roof. Fleming's and Ivory and Sime, however, were still retained as advisers and in practice all that happened was the virtually full time secondment of Fleming staff to work for S and P. Much more important was the launching of a new S and P investment management subsidiary in the middle of last year which finally severed the apron strings tying Save and Prosper to its main shareholders. The move was certainly overdue. The group points out that it is now easier to respond to what the investing public want—along with intermediaries like stockbrokers and insurance brokers. At the same time it removed any ambiguity and lingering doubts about who is the ultimate employer.

Mr. Maitland observes, "I think that the major problem was not one of poor management. Managers were in an equivocal position and it is certainly better that they now stand on their own.

Biggest fund

Poor performance is nowhere more evident than in the record of Save and Prosper Investment Trust Units, the biggest fund in the unit trust sector. Established in 1957 ITU was one of the best trusts of the 1960s, cashing in on steadily rising stock markets and the popularity of the investment trust sector.

Investment trusts, of course, have been through an extremely disappointing period. Hit hard like everybody else by the bear markets of 1973-74, the investment trust average discount has widened from 20 per cent at the beginning of the 1970s to around 30 per cent today, while overall the sector in this time has performed poorly. The "discount" is effectively the difference between the asset value per share and the trust's share price in the market—it reflects the excess of supply over demand. At the moment ITU's offer price is around 25p, against a range of 25p to 35p in 1969. As Mr. Maitland admits: "More than 20 per cent of our unit trust funds under management are in ITU and this is a cross we have to bear. At the beginning of the decade we were very heavily weighted towards financial shares and overall these have not run ahead of the pack."

By contrast, M and G was quick to discover the attractions of smaller companies and recovery situations, the sectors which have proved among the most glamorous over the decade.

The question now is: will the 1980s bring back the good times for Save and Prosper? With investment management firmly in house at last, the group certainly starts the new decade on a much better footing. Just as significant perhaps is the recent appointment of a new investment director Mr. John Manser, formerly managing director of Jardine Fleming's Hong Kong merchant bank. Mr. Manser stresses that drastic changes did not accompany his arrival last September. "One or two people have departed and there have been some additions to our investment team but all this has been part of the natural progression to in-house management."

Mr. Manser comments "Looking forward to the next few years our first job is to wrest the leadership of the unit trust sector firmly back from our competitors. I see us continuing to diversify, not out of the unit trust industry but further into the field of financial services."

As for unit trusts, S and P is clearly determined to recover its position in the next few years. Good performance, as M and G showed in the 1970s, is really the only way to achieve this. While much will depend on the skill of the group's investment team, an improvement in investment trust fortunes would also be invaluable. Mr. Manser rules out any S and P-led institutional action in the short term to reduce the investment trust discount but he adds "It is surely inconceivable that £6bn of investment trust assets will be standing at a discount of between 30 and 40 per cent in 1990."

Weekend Brief

How the gold rush is hitting the heartlands of the jewellery business . . . a Swiss newspaper hits its 200th year . . . and the problems of a warden famine

Rings on their fingers . . . they hope

BUYING gold and jewellery is normally a very discreet affair. But the eerie calm at the current Vicenza trade fair, shop window for the "winter collections" of the Italian goldsmiths' and jewellery industry—and the largest of its kind in the world—is not deceptive. The exact beneficiaries of the speculative stamped bgkqi jaj may not be clear. But the prime loser is plain to see: the industry itself, and none more so than the Italian industry, the biggest of all.

The Vicenza fair is reckoned on its own to generate 40 per cent of Italian jewellery exports. But at the start of 1980 orders are by universal consent 50 per cent down on last year. Lay-offs are threatened in an industry which provided L3,000bn (£1.6bn) of exports in 1979, and constituted the third ranking surplus sector in Italy's foreign trade, after textiles and engineering products.

It is a quintessentially Italian success: built on centuries of craftsmanship and styling, and resting on the structure of a cottage industry. Of the 6,500 "companies" involved, 5,700 employ less than 10 people, and more than half just one or two, working at home.

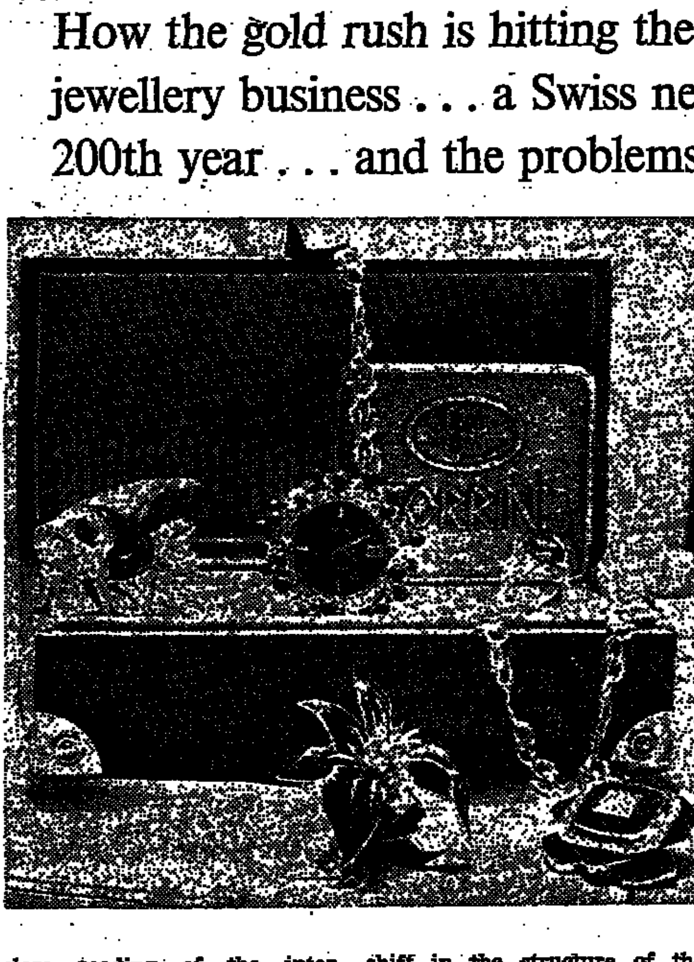
Yet, in a good year their "throughput" can reach 250 tonnes of fine gold, around one-fifth of total world annual production. Yet rarely can their immediate prospects have looked grimmer.

"People are coming to look, to admire, but not to buy," says Sig. Pierluigi Rossi, export director of Gori and Zucchi, the one genuinely big producer in Italy. Zucchi is based at Arezzo, in Tuscany, and along with Vicenza itself and Valenza Po in Piedmont, is one of the three centres of the jewellery industry. It employs 1,500 people, handles each year 35 tonnes of gold, and exports 80 per cent of its output.

The problem is not so much the absolutely high level of the price of gold, their staple raw material, but the violent swings in that price. Buyers are shying off, unwilling to risk a sharp drop in the bullion price, which would leave them with a substantial loss. The producers fear further sharp increases, which would make the cost of replacing stocks still more ruinous.

Indeed, the scope for cost-cutting is virtualy non-existent. For an ordinary gold chain or ring, labour costs in January, 1979, represented 12 per cent of the manufacturer's wholesale price. Today it is only 5 per cent; but ordinary items in the jeweller's shop now cost three times what they did 12 months ago.

The only people who have escaped the worst are manufacturers specialising in diamonds and fine stone settings. So far, gem prices have not kept pace with gold. But the latest signs from Antwerp, the main diamond centre, are of a sudden rise of between 20 and 30 per cent. But for everyone else at Vicenza it is a depressing vigil over the telex flashing London and Zurich fixing prices, and a close reading of the international crisis.



Some producers expect a gold price of $1,000 per ounce. But no one dares a firm prediction: "You tell me how near the Russians are to Iran, and I'll tell you what gold costs," said Sig. Giovanni Ruggiero, export manager of Vieri, a Vicenza company specialising in gold chains. "What we must have is stability, even at $900 an ounce."

The display at the fair is fabulous: ranging from a cascade of necklaces and bracelets to brooches, sprays and even a peacock feathered in threads of gold, sapphires and rubies. An Arab bought it last year for $50,000; today it would cost $75,000 But, says its maker, the Arab has not come back to collect it. And nor have any others this year come to Vicenza as in the past. In 1978, Saudi Arabia, the Arab Emirates, and Kuwait were each among the top six Italian export markets. Why the Arabs have disappeared no one is quite sure, but it is a bad omen.

Various schemes have been canvassed to help the industry over its awkward moment. They range from the improbable, like persuading the Bank of Italy, the fourth largest holder of gold among central banks, with over 82m ounces in its coffers, to make a temporary gold loan to the industry, to the more realistic idea of switching sales lines to 8 carat gold from the 18 carat quality, usual here. But this would presuppose a profound change in Italian attitudes, accustomed to gold of a very high purity, however costly.

Sig. Luigi Stella, president of the country's goldsmiths' association, would like to see concessionary rates available for financing gold bullion purchases, and aid from the Government for both insurance and export credits. This last is vital for an industry handicapped by its fragmented structure. The alternative is lay-offs, perhaps permanent, for workers whose skills would be impossible to replace. Nor are Government unemployment benefits easy to operate for cottage industry.

If gold stays at its current levels, perhaps we will see a shift in the structure of the jewellery industry, many producers suspect, a diversification away from pure gold objects towards gems, silver and watches. Two categories of product may emerge, one with a very high gold content for those who regard jewellery as an investment and low gold content items for those who buy jewellery in part as a fashion accessory.

But that is all for tomorrow. Today the industry stranded like Croesus among its unsaleable splendours, can do little but wait and hope that sanity returns to the bullion market. "For the moment, we haven't really had to take the painful decisions," says Sig. Stella, "but when this fair is over, we'll have to face the hard facts."

Less of an auntie than she was

"LIKE OTHER newspaper writers, we shall be unable to publish news of world events before these occur or before they are reported on by the foreign journals. Nevertheless, we have made arrangements to use the best French, English, Italian, Dutch and German papers. and reliable private correspondents so as to print the news as soon as other of our neighbours are able."

With this modest statement, a European institution was born. In January, 1780, the reading public in Zurich was invited to subscribe the sum of one Gulden, 30 Kreuzers (Zurich money) a year to the four-page news-sheet Zuercher Zeitung, to appear at midday every Wednesday and Saturday.

Orell, Gessner, Fuessli und Compagnie launched the paper almost apologetically, asking for forbearance should the new venture at first not be quite up to the mark.

In spite of this deprecatory approach, the project succeeded. This month, the establishment of City and Confederation celebrated the bi-centenary of the *New Zeurcher Zeitung*. The newspaper, which added the word "new" to its title 159 years ago, is today one of the world's most respected dailies. Although its circulation is only 116,000, it belongs to the small group of newspapers with readers in high places wherever German is understood or can be translated.

Like most publications of its type, *Neue Zuercher Zeitung* has the reputation of being an auntie. It earns this partly by its readiness to run long and detailed analyses on important—and less important—matters of the day. In his congratulations on the 200th birthday, Austrian Chancellor Bruno Kreisky complained there was "too much worth reading" in the paper. The other aged-relative trait which many see — and most readers approve of—is connected with its old-school whiggery.

It is ironic that the paper should have gained a reputation for being conservative and establishment-minded. As a child of the age of reason, it had sympathised with the French Revolution and supported the liberal movements of the 19th century. The radical party of the bourgeoise, at least in Canton Zurich, has since become anything but radical in modern political parlance. The editorial staff are not out to change the system, but its links with the party are close.

The paper is well aware of the dangers of becoming a monument. Being an institution, says Dr. Fred Luchsinger, its editor, is a burden as well as an honour. A lot has happened to change the newspaper in recent years—first and foremost, it pays greater attention to topicality, even although commentaries and reports from distant nations still sometimes appear with the dateline of the previous month.

There has also been a greater readiness to attack the establishment, so that the claim the NZZ is the banker's paper or the businessman's paper is less true than a few years back. Much has been done to rationalise production, too. In 1969 the paper went from three to only one edition a day and ten years later it converted to computerised printing.

The paper is not a completely closed book to readers unable to follow its stately—if sometimes slightly regional—German. A monthly digest in English is published under the title, "*Swiss Review of World Affairs*, and distributed largely to an American public.

In a recent copy, the choice of articles was as idiosyncratic as the newspaper itself, ranging from "Japan, China and the Seakaku Islands" and "The Changing Face of Ghana" to a piece with the charming Victorian title of "Notes from a wintry Australia."

Yellow stripes suffer from the blues

WHY DO Traffic Wardens have a yellow line around their hats? To stop motorists from parking on top of them, of course.

That may or may not appeal to your sense of humour. But in the last week it certainly has struck some kind of chord with at least 350 Londoners who have responded to the current Traffic Warden recruitment campaign—from whence comes the little joke—by phoning up for an application form.

While the Metropolitan Police profess to be delighted with the response the campaign has elicited, they say its still not nearly good enough. "We are facing a crisis on our streets. We need two thousand five hundred wardens to maintain an effective service and we currently have only one thousand, one hundred and fourteen," said Scotland Yard's spokesman on Traffic Wardens Tom Gibson. "In the past nine months we have lost 248 and gained only 93, a shortfall of 155, and that has been the pattern for the past seven years. Since 1973 we've been losing on average 200 a year."

The reasons for the alarmingly high turnover in the warden force are fivefold, according to survey carried out within the service recently. Prime cause for premature departure was the low pay (wardens start on £69.72 for a 42 hour week), followed by the amount of abuse wardens have to put up with from the public, working in bad weather, the low estimation the force is believed to have among the public, and the unappealing uniforms.

Elizabeth Hoskins, a trim forty-ish redhead who is senior traffic warden controller for the Knightsbridge, Chelsea, Kensington region says the uniforms are no longer a problem.

"They have just been redesigned and really the new ones are lovely — all the girls like them. But yes, some wardens do get upset at first about the abuse and the weather. I joined up 14 years ago. The first week I was out on my own I was going to leave the abuse was so bad.

"But now I love the job—it gives you an opportunity to meet and to serve the public, to do different jobs like royal route control, for instance, which we get in this division, and a chance to cope with all sorts of different situations on your own."

But she confirms that the pay is a problem. "That's why so many are leaving—on average my wardens are getting a pay packet of £55 a week. When I joined fourteen years ago we were better paid than most other similar outdoor service jobs—in fact I thought it was so good that after six months I persuaded my sister to join, she's still here, over in Soho. People were leaving the buses then to become traffic wardens, but now we are losing our people to the buses."

Mrs. Hoskins agrees with Mr. Gibson that the situation is reaching crisis proportions. "We are running at half strength here in Walton Street and it is just not enough. We can't do our job. The motorists know we are understaffed and they are taking a lot more chances and parking illegally more frequently. They think, oh well, what's £6—its nothing these days. Look, we've got Harrods sale on at the moment. People are driving up in their Rolls Royces and just parking them anywhere and I'm not surprised. I mean if you are going into Harrods to buy a £4,000 mink coat you aren't going to worry about a £6 parking fine are you?

Contributors:
Rupert Cornwell
John Wicks
Robyn Wilson

Economic Diary

TOMORROW: Department for *National Savings' monthly progress* report for December.

MONDAY: Industrial and commercial companies' appropriation account, net acquisition of financial assets and net borrowing requirement (third quarter). Department of the Environment gives figures for new construction orders for November. Ulster constitutional talks resume, Stormont Castle, Belfast. Shell tanker drivers meet on pay dispute. Mr. John Biffen, Chief Secretary to the Treasury, speaks at a meeting of the Banking and Finances Study Group, Bank of England. Financial Times' 1980 Euromarkets two-day conference opens, London.

TUESDAY: January provisional figures for unemployment and unfilled vacancies released by the Department of Employment. Cyclical indicators for the UK economy (December). One-day national strike in the Irish Republic in support of PAYE reform. General council of British Shipping statement of prospects for British shipping in 1980. Sir Keith Joseph, Industry Secretary, speaks at Press Club lunch, London.

WEDNESDAY: Department of Transport issues new vehicle registrations for December. Trades Union Congress general council meets, London. Sir John Methven, Confederation of British Industry director general, speaks at London region annual lunch. Labour Party executive meets, London. Prince Philip opens National Farmers Union conference, Harrogate.

THURSDAY: Institutional investment for the third quarter from the Central Statistical Office. Teacher pay talks resume. Civil and Public Service Association statement on staff cuts.

FRIDAY: Department of the Environment publishes bricks and cement production figures for December. Department of Industry releases October figures for sales and orders in the engineering industries.

Raybeck suffers first ever midway downturn

FOR THE half year ended October 27, 1979, pre-tax profits of Raybeck, clothing retailer and manufacturer, were down from £3.48m to £3.02m on turnover of £48.55m compared with £45.44m.

However the directors say that profitability in the second half is traditionally in excess of the first six months and with trading results to date, this pattern should continue.

After tax of £1.31m against £1.58m, stated earnings per share are 4.13p against an adjusted 4.66p. The interim dividend is maintained at 1.131p—the previous total was 4.001p from pre-tax profits of £7.75m.

The directors explain that the previously experienced downturn in trade continued into the first and second quarters of this financial year. The reasons were, and still are, the increase in VAT, the decrease in tourism in the West End of London and the general economic uncertainty.

Despite these uncertainties, the board continues to be confident that the strength of he group's balance sheet and liquidity will assist future development and enable the group to take advantage of any suitable opportunities that occur.

Excluded from the first-half figures is an extraordinary gain of £5.94m before tax, arising from the sale and leaseback of the freehold premises of the Bournes store in Oxford Street.

● comment

Raybeck shares were trading in excess of 140p last summer and it is measure of the subsequent slump in consumer spending that the price came back to 64p before beginning the recent, gradual recovery. The further 3p gain to 80p yesterday can be attributed to the widespread belief that the position for Raybeck, at least, appears to be stabilising. Of course, interim pre-tax profits have dropped by 13 per cent and net margins have been clipped by around one and a half points. But the manufacturing side, with its high mail order content, has been holding up quite well and the retailing slide has probably been arrested. It is possibly too early to begin talking of healthier High Street conditions but stock problems are not thought to be particularly worrying and there should therefore be little additional pressure on gross margins. The balance sheet is strong and interest receivable, tangible since the second quarter, will make a more pronounced impact in the remainder of the year. Longer term, Bourne should start pulling its weight and Raybeck is presumably considering a resumption of acquisitions. Profits this year should reach between £6.5m and £7m and the p/e, taking a midway point, is an undemanding 9.1. The historic yield is a reasonable 7.2 per cent.

Heavy tax claims add to Wilson Walton's troubles

BY ANDREW FISHER

SHAREHOLDERS of Wilson Walton Engineering, which is going into voluntary liquidation, were given a detailed account yesterday of how the company came to grief, with large tax claims adding to its heavy financial and trading problems.

Before voting in favour of liquidation at the EGM, they were told that a "forced sale" of the North Sea fabricator's assets would leave an estimated deficit of nearly £1.68m on unsecured creditors' claims of over £2.26m.

The unsecured creditors figure includes £1.35m claimed by the Inland Revenue for past PAYE and national insurance contributions by employees, corporation tax and interest on unpaid corporation tax.

But a sale of the business on a "going concern" basis would leave a deficiency of little more than £335,000, said Mr. Michael Jordan of W. H. Cork, Gully, the liquidators, who read a report on the company's affairs.

He said several companies had shown an interest in buying the business, which ran up losses of at least £436,000 on turnover of £5.5m in the nine months to September 30 last, according to draft management accounts. Since January 1979, the overall loss to date was around £1.6m, excluding any tax charges.

Wilson Walton's major problem has been its outstanding £1.6m claim against Shell UK Exploration and Production for work done on its North Sea rig in the Indefatigable offshore gas-field.

This could go to arbitration and has already been written off in the 1978 accounts. It was this unsettled claim, plus the problems of winning new orders—last November, Wilson had quotations in for £20m worth of projects—that decided the board to seek liquidation.

The statement of affairs drawn up by Cork Gully shows that total assets of Wilson Walton had an estimated book value of £2.46m in mid-January, 1980; on a "going concern" basis, they could be worth £2.54m, but their break-up value would be around £1.2m. They include other claims, not yet agreed, of £400,000, though their value in the "forced sale" category is put as "uncertain."

With issued share capital at £500,000—the 10p shares were suspended late in December at 5p—shareholders' estimated deficiency is £835,000 as a "going concern" and almost £2.18m in the case of a forced sale.

Claims by preferential and priority creditors total nearly £613,000. A meeting of the company's creditors was also held yesterday afternoon.

Wilson Walton's largest shareholder is Wilson Walton International (Holdings), with 22 per cent of the shares; just over half the shares of the latter are held by Mr. Anthony Wilson, chairman of Wilson Walton Engineering.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Decca ......int.	Nil	—	3.3	—	3.3
Greenfriars Investment	2	March 21	1.65	2	1.65
Prop. Sec. Inv. Tst. int.	0.5	Apr. 1	0.5	—	1.6
Raeburn Inv. Trust ...	4‡	Aug. 13	2.8	6.35	4.05
Raybeck ......int.	1.13	Mar. 6	1.13	—	4
David S. Smith ......int.	2.5	Feb. 29	2	—	4.75

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including 0.9p in respect of Shell and Unilever dividends.

Slough Estates £142m surplus

BY ANDREW TAYLOR

Slough Estates, the country's largest industrial developer, last night announced a major revaluation of its properties which it says are now worth over £362m worldwide.

This compares with a book value of £203m in the group's 1978 accounts. After taking in exchange movements and disposals the revaluation throws up a surplus of £142.5m, which will be credited to capital reserves in the 1979 accounts.

The bulk of Slough's properties were last revalued in 1976 and in the case of Canada in 1974.

Mr. Nigel Mobbs, Slough's chairman, said that the effect of the revaluation would be to increase book value of net assets from 82p per share to 166p after allowing for conversion of loan stock.

The group's announcement was made after the Stock Exchange had closed, and came too late to have any impact on the share price which closed at 112p, up 3p.

Mr. Mobbs said that a number of factors had influenced the sharp rise in the properties since the 1976 revaluation.

In the UK there had been a sharp rise in rents. On top of this Slough is expecting to show further significant gains from rent reviews over the next five years.

It was estimated that Slough's total rental income would increase by 46 per cent if current market rates were paid on the properties. This would be corrected as rent reviews became due.

A value of £200m has been put on the Slough Trading Estate, the centrepiece of the group's portfolio. This reflects the estate's prime location and the strong demand for industrial property over the past 18 months or so.

A breakdown of the revaluation shows that UK properties are estimated to be now worth £282.6m—a £136.3m surplus over book value. Overseas properties are estimated to be worth £79.8m—a surplus of £6.2m.

The group said: "The comparatively modest improvement in overseas values is a symptom of a much slower appreciation of rental levels resulting from greater economic stability and more intense competition."

D. S. Smith six months progress

RECOVERING from a year when results were depressed by the effects of a four-week unofficial strike and the lorry drivers' dispute, taxable profits of David S. Smith (Holdings) expanded 60 per cent to £688,000 in the six months to October 31, 1979, against £429,000 last time.

Chairman Mr. D. S. Smith says he is sure shareholders will be pleased with the full year's results. The forward order position is strong, and although costs are inevitably being affected by the increasing rate of inflation, every effort is being made to effect savings, he adds.

The interim dividend is up from 2p to 2.5p—last year a total of 4.75p was paid on 12 months' profits of £888,000.

At the trading level, profits of the company, which manufactures printed packaging material, improved from £376,000 to £691,000 on sales of £4.13m (£2.89m).

Depreciation takes £58,000 (£47,000) and there is a reduction in interest receivable from £100,000 to £53,000. After higher tax of £357,000 (£223,000) and the £135,000 (£168,000) absorbed by dividends, earnings per 20p share are stated as 6.1p (3.8p).

Star Offshore first-half loss: calls further £1m loan stock

FOLLOWING a £1.3m loss for the previous year, against a £2.1m profit, Star Offshore Services announces a first half los of £96,000, compared with a £1.26m surplus to September 30, 1979.

Shipping services profit slumped from £667,000 to £70,000 and there was a £813,000 turnround in the diving services section to a £224,000 deficit.

And the directors have called a further £1m of the 10 per cent convertible subordinated unsecured loan stock 1982-89.

In their annual review last September, the directors warned shareholders that they expected another substantial loss in 1979-80, and the following year. At the same time, to help the company over its loss-making and cash flow problems, they were issuing £4m of the unsecured loan stock.

They now say that current trading conditions are more difficult than those reported last September, and interest rates have risen beyond their anticipation. Because of this and the adverse effect on cash flow of the sale of Star Pisces, they decided to call a further £1m of the loan stock.

The Star Pisces was sold for £765,000 resulting in a book loss of £655,000—not reflected in the first-half figures. This will have an adverse effect on cash flow because loans of £820,000 attaching to the vessel had to be repaid immediately.

The directors are actively pursuing a policy of selling certain vessels at favourable prices, but such specialised vessels cannot, they say, be sold within a restricted time scale.

In the longer term there are signs that activity in the North Sea is increasing, they add, although it will take time for this to be reflected in the interests the company is directly involved in.

First-half turnover fell from £7.65m to £7.06m and was split as to shipping services £4.07m (£4.71m), and diving £2.99m (£2.94m).

There was a £50,000 profit on the sale of unlisted investments included in the loss for the period, which was not subject to any tax (same). There were no minority profits (£50,000).

PSIT goes ahead

Attributable profits of Property Security Investment Trust rose from £78,000 to £236,000 in the six months to September 30, 1979, excluding the results of property and share dealing.

For the last full year, dealing profits of £453,000 left the attributable surplus at £323,000.

Gross rental income for the half expanded from £1.76m to £2.13m and net property and investment income, after administration expenses, rose to £1.8m (£1.5m). Interest charges take £1.65m (£1.48m) and there is a credit for minorities' losses of £75,000 (£63,000). There is again no tax charge.

The interim dividend is maintained at 0.5p—last year's final was 1.1p.

Winding up sought for warranty group

An application has been made for the winding-up of Motorvation Guarantees, a motor vehicle warranty business based in Sutton-in-Ashfield, Nottinghamshire, and later in Leeds.

The Secretary of State for Trade has presented a petition under Section 35 of the Companies Act which will be heard on February 11 this year.

Felixstowe Dock £6.5m offer by tender aids expansion

TO meet part of the cost of the proposed £27m expansion for Felixstowe port in Suffolk, the Felixstowe Dock and Railway Company announces an offer for sale by tender of £6.5m 9.5 per cent cumulative redeemable preference stock 1984. The price is £98 per £100 of stock.

No tax is payable on the preference dividend. Since becoming part of the European Ferries Group in March 1976 the directors consider the tax position of the company is such that no mainstream corporation tax will become payable. From that date only ACT on dividends payable has been provided in the accounts.

Of the cost of the proposed expansion, Finance for Shipping is to provide a secured loan of up to £11.7m. This is to be repaid by 26 half yearly instalments starting June 30 1984.

As a condition of this loan EF has agreed that £7.5m of the secured loans (together with the amount, if any, the net proceeds of the issue fall below £6m) which it has made to the company will not be repayable until the loan from FFS is repaid.

A sum of £9.7m of the total expansion cost relates to plant and equipment. Of this £4m will be serviced by the company under leasing facilities and the balance of £5.6m will be provided by Orient Overseas Containers (Holdings), one of the C. Y. Tung Group of companies, based in Hong Kong.

The rest of the finance will be provided by the proceeds of the issue and from the company's own resources.

The Royal Assent recently given to the Felixstowe Dock and Railway Act 1979 empowers the company to build a further 3,500 feet of quay as an extension of the company's northern development. The immediate proposal is to build about 1,400 feet of new quay wall and reclaim about 60 acres of seabed and offshore.

The company has let a contract to French Kier Construction for the construction of the major part of these works. Harwich Harbour Conservancy Board has agreed to dredge the main channel to a depth of 30 feet and has obtained finance for this.

The company has agreed to guarantee the repayment of an estimated £3.75m of capital together with interest on this finance is so far as the repayments cannot be met by the board out of certain agreed revenues.

The first 400 feet of the new quay structure will be used as an overspill container terminal for new and existing customers with a deep water berth of some 33 feet. This will gradually be deepened to 40 feet to join a new adjoining container quay of 1,000 feet to be provided for the use of OOCH.

The new terminal will be leased to OOCH for 35 years. The capital cost of the works will be initially met by the company but under the lease the capital cost will be recovered as rent.

The company has also entered a 35 management agreement with OOCH for the provision of labour or other services at the new terminal. The lease and management agreements contain options to extend both for two further 20 year periods.

It is expected that the total capital cost of the facilities to be provided for OOCH will amount to some £11.7m.

Despite the effects of the lorry drivers' strike, which is estimated to have reduced the pre-tax surplus by £350,000 the directors of Felixstowe Dock estimate that the surplus for 1979 will be similar to the £1.48m achieved in 1978. A full year's dividend on the new stock amounts to £617,500.

The first dividend on the stock covering the period January 24, 1980 to June 30 amounts to £3.62 (the tax credit being £1.55) and is payable on July 1, 1980. Thereafter dividends will be payable half yearly on January 2 and July 1 in each year.

The issue has been underwritten by Seymour Pierce and Company.

Natl. Carbonising sells Lasmo stake

National Carbonising has sold its main asset, a 6.8 per cent stake in London and Scottish Marine Oil, the remnant of its original investment when Lasmo was floated. Yesterday, Mr. Graham Ferguson Lacey, the new chairman, announced that the 3.3m shares had been placed in the market. At the placing price of 375p the total raised was £12.38m.

This compares with a book value of £3.3m in the last accounts to the end of March, 1979. The maximum capital gains tax liability is said to be £2.72m and steps will be taken to minimise the actual tax payable.

Even at the end of National Carbonising's year the Lasmo stake had a true market value of £5.9m. Since then the value has soared to a peak £13.13m as Lasmo mounted its successful merger with Oil Exploration, and rumours persisted that the newly combined group would itself find a suitor.

Now Mr. Ferguson Lacey explains that the board does not believe shareholders want National Carbonising simply to hold onto its energy interests as a pure investment company. The sale of the Lasmo shares will instead leave the group completely debt free and with substantial cash deposits earning good interest, while more active moves in the energy field are investigated.

Since Mr. Ferguson Lacey took over the chairmanship, National Carbonising's main move has been to buy a 5.7 per cent stake in Weeks Petroleum, the Bermuda-based international oil exploration group which recently obtained a London quotation. The deal also involved a complex one-year pooling arrangement between holders of 25 per cent of Weeks' shares.

Mr. Ferguson Lacey would not comment yesterday as to whether the suggested new moves in the energy field would involve closer links with Weeks and in any case the proceeds of the Lasmo sale will not be available until February 4.

Meanwhile, the news of the sale was followed by a 10p rise in Weeks' shares to a high of 370p. By contrast, National Carbonising's shares dropped 7p to 137p and Lasmo lost 8p to 380p.

Decca near £2m loss midway

LOSSES OF £1.87m before tax have been incurred by Decca for the six months to September 30, 1979 with the expectation of continuing pre-tax losses in the second-half. In the first half last year, profits of £2.46m were turned into a £384,000 loss by the 1978-79 year-end.

The directors put some of the blame for the adverse result in the half year on the increase in interest payable from £1.84m to £3.62m and say second half losses will be partly as a result of these high rates on higher borrowings.

No interim dividend is being declared compared with last year's single 3.3p.

At the attributable level, losses amounted to £3.11m against a £511,000 profit after exchange losses of £1.03m (£502,000) and £193,000 (£144,000) net costs of factory closure and loss on disposal of a trading activity.

A sharp decrease in pre-interest profit from £4.3m to £1.75m reflects a £2.9m (£67,000) loss in the consumer goods division but profits of £4.65m (£4.37m) from capital goods.

First half turnover was steady at £86.3m against £85.6m with £57.5m (£50.6m) coming from capital goods and £28.8m (£35m) from the consumer side.

Of the £2.55m decrease in pre-interest profits, £2.25m is from the deterioration in the results of the records activities which lost £2.59m in the half year.

Group results for the two half years are excluding associates while those for the year to March 31, 1979 included those associates.

	Six months 1979 £000	1978 £000
Capital goods	57,500	50,600
TURNOVER:		
Consumer goods	28,800	35,000
Total	86,300	85,600
Trading profit	5,502	7,978
Depreciation & amort.	3,750	3,675
Leaving	1,752	4,303
Net int. payable	3,620	1,840
Loss before tax	1,868	*2,463
Tax	650	1,175
Net loss	2,518	*1,288
Minorities	120	131
Exchange losses	1,025	502
Surplus sale trade inv.	750	—
†Net costs	193	144
Attributable loss	3,106	*511

*Profit. † Of factory closure and loss on disposal of trading activity.

A. STEPHEN UP AT NINE MONTHS

Operating profits of Alexander Stephen and Sons, engineer, for the nine months to December 31, 1979 are higher than those of corresponding period last year, report the directors. If the position is maintained, as is expected, they intend to pay a dividend for the year no lower than last year's 0.67p.

Pension Fund Property units issue

Pension Fund Property Unit Trust (PFPUT) is making a new issue of units at a net subscription price of £2,020 per unit to yield 5 per cent.

In 1979, the total return (capital and income combined) on PFPUT units was 24 (17) per cent compared with about 5 (−2) per cent from British Government stocks and 10 (8) per cent from equities.

Mr. Cecil Baker, chairman, says that, "as a result of the excellent results achieved last year, the total value of the fund reached a record figure of £247m and, over the year, distributions rose from £84 to £104 per unit."

Hambro Life Assurance growth

ANOTHER SUCCESSFUL year for new life and pensions business in 1979 is reported by Hambro Life Assurance, one of the leading linked life companies.

New annual premiums advanced by 22 per cent from £36.1m to £44.2m, single premiums by 11 per cent to £75m (£67.3m) and new sums assured by 47 per cent from £1.03bn to £1.52bn. New initial commissions, which the company regards as the most suitable indicator of progress, improved by 32 per cent to £21.7m, compared with £16.4m.

The growth in annual premium business last year came almost entirely from a buoyant life sector. New life annual premiums jumped 78 per cent to £17.6m—growth that has been experienced by link-life sales in other life companies.

Hambro Life reports continued success with its Whole Life Plan, with sales up 130 per cent last year.

Pensions business in contrast was dull last year, with new annual premiums rising by only 2 per cent to £26.9m. The self-employed market was dull in 1979, while for Hambro the executive pensions business was only slightly better.

Generally, self-employed pensions business has been patchy over the last year, but many life companies have reported buoyant executive pensions sales. However, Hambro was one of the first life companies to open up this market, the others being much later into the field. Thus Hambro is holding its position in face of increasing competition.

The company managed to record satisfactory single premium results in 1979, despite its refusal to enter the guaranteed income bond market.

Linked-life bond business improved by 4 per cent from £55m to £57.4m, over half this money being invested in the Property Fund and a quarter in the Managed Fund.

There was a strong demand for the Home Income Plan, marketed by the subsidiary Hambro Provident, with sales up by nearly a half to £12.4m (£8.6m).

Total premium income received by the company passed the £200m mark in 1979, reaching £208m against £171m.

Regular premium income jumped £29m to £133m.

The market responded favourably to these new life business results, the share price of Hambro Life improving 3p to 19p.

Atlantic Assets expansion

IN THE six months ended December 31, 1979 Atlantic Assets Trust has shown considerable progress.

Group revenue available for the ordinary advanced from £147,000 to £288,000, equal to 1.04p, against 0.53p per share; and the net asset value stood at 193p, compared with 136p a year earlier.

The company does not make interim payments. For the 1978-79 year shareholders received 1p and a 1-for-20 scrip.

	Half year 1979 £000	1978 £000
Franked income	[illegible]	[illegible]
Unfranked	461	262
Interest, expenses	458	493
Revenue before tax	401	437
Taxation	518	319
Minority	178	418
Pref. dividend	19	19
Available ordinary	35	36
Investments	288	147
Other assets	47,848	33,414
Minorities	13,689	14,252
Debt	771	771
Pref. capital	4,899	7,158
Equity funds	2,000	2,000
	53,848	37,737

Results due next week

Analysts see no reason to disagreed with Rank Organisation's interim forecast of progress for the full year. When the results are announced on Thursday, they expect to see pre-tax profits of at least £130m, which compares with £122m the previous year. Since expanding its leisure interests, the company has increased the seasonal bias in its results. There will be interest paid on the Caravan acquisition but this will be more than offset by the benefits of the £62m rights issue. The main problem during the year has been with Rank Precision Industries where the engineering strike has been damaging. Elsewhere however, the picture is much brighter, especially on the leisure side, thanks to the caravan operations.

Analysts have been downgrading their forecasts for engineering group John Brown and will be looking with interest to see what the company itself expects to make for the year, when it announces an interim dividend on Friday. Estimates range between £20m and £25m, with most forecasts towards the top end of that spread. Even the most optimistic are not expecting Brown to match last year's £28.4m. Gas turbines have done badly and the engineering strike will have delayed any recovery in the machine tools division, so the onus will be on Constructors John Brown, which continues to enjoy a useful order book. The dividend was very well covered last year, however, so even a significant profits set-back should not deter Brown from lifting the pay-out.

Bullish outside forecasters expect around £8m halfway pre-tax profits from Davy Corporation on Thursday, down from £8.5m last year, but these could be behind target if the company proves to have been seriously affected by the engineering strike. The steel strike poses a potential threat for the current half, but if it peters out before steel stocks do, Davy should be on course for around £27m full-year. Last year it made £26.1m pre-tax. The company must now be casting an anxious eye at the hotting up of the cold war. It trades heavily in high technology to the eastern bloc, a potential political target. Its recent Yugoslav steelworks contract could be affected by that country's potential instability. The company may also choose the interim statement to reflect on the out-turn of its Iranian involvement.

When Inchcape announces its interim figures on Thursday, it will be showing the benefit of loss elimination on the commodity side. Commodity trading lost £3.8m last year, draggin overall pre-tax profits down to £23m. Even so, analysts are not expecting any dramatic improvement this time with most estimates between £27m and £30m. Some forecasts range as high as £33m, based on the very strong performance from Inchcape Berhad, the group's diversified Far East operation. The motor and timber divisions have done particularly well here. Nonetheless, Inchcape will have suffered from high interest rates worldwide, together with the strength of sterling.

Two discount houses will be announcing preliminary figures next week: Alexanders on Monday and Union on Wednesday. In addition, the market will be watching interims from MFI on Tuesday and finals from Muirhead on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Alexanders Discount	Monday	4.5	11.501	4.5
Ashdown Investment Trust (The)	Tuesday	1.3	3.3	1.6
Baker's Household Stores (Leeds)	Wednesday	0.297	0.703	0.55
Bootham Engineers	Tuesday	2.25	2.885	5.5
Bullough	Thursday	6.183‖	1.521	4.2
Glenfield Lawrence	Friday	—	1.25	—
Great Northern Investment Trust	Monday	1.29	3.21	1.5
Henlys	Wednesday	3.0	5.71	3.0
Kershaw (A.) and Sons	Thursday	8.0	15.0688	9.6
Leda Investment Trust	Monday	1.139	2.01	1.33
Lincroft Kilgour Group	Tuesday	1.5	2.365	1.75
Lookers	Wednesday	0.98825	1.74565	1.4
Lovell (Y. J.) Holdings	Thursday	1.5	2.85	1.5
Meggitt Holdings	Monday	0.2211	0.4195	0.42
Muirhead	Thursday	2.0	3.0757	2.2
Rank Organisation	Thursday	4.0	4.88883	4.8
Scottish American Investment (The) ...	Wednesday	0.9	2.05	1.0
Smallshaw (R.) Knitwear	Thursday	—	1.25	0.5
Union Discount of London (The)	Wednesday	6.375	11.282	6.375
Werner Estate Holdings	Thursday	1.4	1.57403	1.6
Watson and Philip	Thursday	0.85208	1.9619	1.0
Whatlings	Thursday	0.9	1.967	0.9
INTERIM DIVIDENDS				
Amalgamated Distilled Products	Wednesday	0.25	0.5	
Amber Day Holdings	Tuesday	0.8375	1.9625	
Austin (James) Steel Holdings	Wednesday	1.66667	3.0	
Brown (John)	Friday	1.45833	2.13308	
Burt Boulton Holdings	Thursday	3.5	3.6	
Cray Electronics	Monday	0.57	1.16	
Davy Corporation	Thursday	2.0	4.7	
Denbyware	Wednesday	2.1125	4.05805	
Hallite Holdings	Friday	2.15	4.5997	
Inchcape	Thursday	6.5	10.0	
Jones, Stroud (Holdings)	Tuesday	2.0	3.2	
Macarthys Pharmaceuticals	Thursday	1.5	5.0	
McKay Securities	Tuesday	0.35	1.25	
MFI Furniture Group	Tuesday	1.5¶	—	
Palmerston Investment Trust	Monday	0.594	1.135	
Priest (Benjamin) and Sons Holdings...	Tuesday	1.474	4.82	
Regional Properties	Wednesday	0.5	1.0	
Scottish, English and European Textiles	Tuesday	0.737	1.88	
Stroud Riley Drummond	Thursday	0.5	1.0	
INTERIM FIGURES				
Bevan (D. F.) Holdings	Tuesday			
Malaysiam Tin	Thursday			
Wintrust	Monday			
Wrighton (F.) and Sons Assoc. Cos.	Tuesday			
Zetters Group	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes compensating dividend due to change in tax rate. ‡ Second interim. ¶ Special interim dividend of 1.5p per share net for year to May 31, 1980 (in lieu of final by MFI Furniture Centres). ‖ Includes second interim of 3.183p.

1979 a patchy year for Marine & General

New life and pensions business in 1979 was patchy for the Marine and General Mutual Life Assurance Society. New annual premiums showed an overall decline on the year of nearly one quarter from £2.63m to £2.01m, while net annuity considerations doubled from £1.87m to £3.79m.

New annual premiums for life business rose 21 per cent from £1.12m to £1.36m, this business showing growth in with-profits savings plans and mortgage repayment contracts. But new annual premiums on pensions business were halved from £1.44m to £619,000. This fall arose from a decline in business on the pension scheme established for employees of medical practioners as a result in a change in official policy.

The improvement in annuity considerations came from the success of the company's 10 year guaranteed income and growth bonds.

MGM Assurance has also declared higher rates of reversionary bonus for 1979, in respect of life and endowment contracts taken out in 1970 or later. The rate is lifted by 25p to £5.75 per cent on whole life and to £5.25 per cent for endowments, both rates based on the basic sum assured. For pre-1970 policies the rates are maintained at £6 per cent for whole life and £5.50 per cent for endowment assurances.

The terminal bonus rate is maintained at the rate declared in June 1979—£1 per cent of the sum assured for each year except the first three, plus £0.50 per cent of the sum assured for each year up to December 31, 1977, excluding the first three.

On the Design for Retirement Policies, the bonus rate is improved by 30p to £4.50 per cent of the basic benefit and attaching bonuses.

HUMPHREY LLOYD ACCEPTANCES

Tootal has received acceptances in respect of over 99 per cent of ordinary shares (49,671) and over 97 per cent of preference shares (29,126) following its offer for Humphrey Lloyd and Sons. The offer has been declared unconditional and remains open until further notice.

The chairman and a director of Tootal Menswear, Mr. C. H. Fletcher and Mr. A. C. B. Holliday, have been appointed to the board of Lloyds.

SHARE STAKES

Carpets International — G. Allen, director, is interested in 45,087 shares.

National Carbonising Co. — G. J. Ward, director, has acquired 50,000 ordinary making holding 200,000 shares.

Concentric—Britannic Assurance has acquired a beneficial interest in a further 185,000 ordinary making holding 2,092,000 (11.06 per cent).

Bowthorpe Holdings — R. A. Parsons, director, has disposed of 30,000 ordinary.

Amalgamated Metal Corp.—Preussag, AG, has acquired a further 75,000 shares making holding 4,921,870 (78.31 per cent).

Watmoughs (Holdings)—J. E. Watmough, director, has acquired 129,344 shares in respect of a family trust.

Arrow Chemical Holdings — J. Chaytor, director, has disposed of 5,000 ordinary. The trustees of D. F. Wylie Settlement have disposed of 75,000 ordinary reducing holding to 350,000 (5.83 per cent).

A. G. Stanley Holdings—Berger Jenson and Nicholson has purchased a further 80,000 ordinary bringing total holding to 2,961,287 (11.77 per cent).

Lookers Group—On December 21, 1979, R. E. Tongue, director, was released from his responsibility as a trustee in respect of 30,221 shares, and on January 2 Mr. Tongue bought as a trustee 10,000 shares. He is now beneficially interested in 523,500 shares and non-beneficially in 60,000 shares, a total of 583,500 shares (7.87 per cent).

Watmoughs (Holdings)—A. D. Baxter has acquired 200,495 ordinary making holding 339,828 (6.68 per cent). D. R. Hobbs has acquired 668,529 ordinary (13.37 per cent).

B and Q (Retail)—R. Hemingway, director, sold 20,000 shares at 84½p on January 15.

BICC—Sir Kenneth Barrington, director, notifies termination of trusteeship of 1,145 shares on December 19.

Thorn Electrical Industries—Sir Richard Cave, chairman, on December 6 bought 2,425 shares.

Sizewell European Investment—London Trust Company has purchased a further 310,000 shares increasing holding to 1.5m (18.75 per cent).

Gestetner (Holdings)—J. A. Barnett, director, has acquired 20,200 "A" ordinary shares making holding 237,758 (0.52 per cent).

Outwich Investment Trust—Hon. J. F. H. Baring, chairman, notifies that on December 7 one of his daughters attained age of 18 and her holding of 229,450 shares therefore no longer forms part of his interests. He now holds 708,198 (1.4 per cent).

Tozer Kemsley and Millbourn—Mr. M. J. Stringer, director, holds 122,525 shares (0.23 per cent) and £443,258 (11 per cent) unsecured loan notes 1985 beneficial, and 155,743 shares (0.29 per cent) and £407,487 loan notes non-beneficial. Interests acquired as a result of acceptance of Tozer offer for Wadham Stringer.

Town Centre Securities — N. Ziff, director, has sold 50,000 shares and further 50,000 have been sold from one of his non-beneficial interests.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Companies controlled by Mr. Roy Strudwick, former chairman and current director of Royco, the property developers and financiers, intend returning the latter to the private sector. The companies are making a 50p per share cash offer for the whole of Royco's equity through Bonnerpark which is owned by Supreme Investments, a Jersey company controlled by Mr. Strudwick. Purchases by Bonnerpark together with the 7.3m shares in Royco already owned by Supreme make up a combined stake of just over 50 per cent. Royco's independent directors advise shareholders to take no action pending a further communication.

Vosper acquired 51 per cent of Hovermarine Transport, the Southampton-based U.S. owned specialist hovercraft builders for approximately £1m cash, but the stake is less than originally planned. Vosper announced last May that it had agreed to acquire a 75 per cent stake in the company for £1.6m. Vosper now has an option to acquire a further 24 per cent of the share capital between September and December 1981. In an agreement related to the deal, the National Research Development Corporation agreed to continue its financial support for Hovermarine and has taken a stake in the business. The purchase is Vosper's first major acquisition since its shipbuilding assets were nationalised over two years ago.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Cableform	90*	88	72††	4.33	Tricentrol	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	—
EMI¶¶	142½	123	95	158.41	Thorn Elect.	—
Empire Plants.	24*	24½	19½	0.80	Caparo Invs.	—
FPA Const.¶¶	15	15	18	1.19	Heywood Williams	—
Highland Distills.	130*	144	102	79.83	Hiram Walker-Gooderham	29/1
Nationwide Leisure	6*§	7	9	0.66	Rantledge	—
Royco	50*	48	41	5.00	Bonnerpark	—
Scottish Homes	48*	45	43	3.36	Barratt Dev.	11/2
Shakespeare (J.)	31§§	28	15½	2.40	Wheway Watson	—
Vita Tex	120†*	123	71	4.03	British Vita	—
Wallis Fashion	35*	34	38	2.50	Sears Hldgs.	—
West of England Trust	92	92	76††	14.4	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 18/1/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Albion	Sept.	723	(502)	18.3	(7.0)	2.75	(1.6)
Associated Paper	Sept.	1,946	(1,901)	12.5	(15.3)	3.65	(3.48)
Berisford (S & W)	Sept.	32,230	(31,340)	28.4	(30.1)	5.0	(4.19)
Bett Brothers	Aug.	2,310	(2,040)	7.5	(6.3)	2.5	(1.9)
Brooke Tool	Sept.	495	(324)	17.1	(9.1)	2.89	(2.51)
Corn Exchange	Dec.	428	(379)	7.2	(6.5)	5.0	(2.23)
Countryside Prps.	Sept.	1,307	(605)	20.7	(9.3)	3.5	(2.68)
Eurotherm	Oct.	2,920	(2,650)	18.2	(14.1)	4.5	(2.68)
French (Thomas)	Sept.	1,630	(1,220)	23.2	(14.9)	4.5	(2.8)
Gestetner Hldgs.	Nov.	19,080	(26,100)	27.2	(41.0)	5.25	(4.41)
Gough Cooper	Sept.	1,623	(504)	17.4	(6.6)	5.6	(5.36)
Grd. Metropolitan	Sept.	136	(116)	21.8	(18.2)	5.75	(4.74)
Kenning Motor	Sept.	8,450	(8,270)	19.8	(19.0)	5.5	(4.63)
Kitchen Taylor (R)	Sept.	1,903	(2,179)	34.7	(33.5)	10.0	(1.54)
Reliant Motor	Sept.	470	(108)	0.8	(0.1)	0.5	(—)
S.G.B. Group	Sept.	14,510	(10,690)	49.5	(43.8)	8.25	(6.3)
Stakis (Reo)	Sept.	3,564	(2,775)	7.1	(5.1)	1.75	(0.99)
Status Discount	Nov.	4,060	(3,790)	6.1	(8.2)	2.1	(0.9)
Tate & Lyle	Sept.	26,200	(24,600)	25.1	(16.3)	10.5	(10.5)
Trusthouse Forte	Oct.	68,200	(55,500)	20.0	(15.7)	8.0	(5.32)

Offers for sale, placings and introductions

Keep Investment Trust—Ten million ordinary shares of 5p are to be offered for subscription at 10p per share.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
A.G.B. Research	Oct.	1,190	(970)	2.5	(1.4)
Allied Colloids	Sept.	1,510	(2,600)	0.64	(0.64)
B.E.T.	Sept.	34,880	(34,380)	1.86	(1.86)
Cook (William)	Sept.	289	(310)	0.6	(0.53)
Courts Furnishers	Sept.	2,800	(2,770)	1.75	(1.14)
Diamond Stylus	Sept.	37	(80)	0.3	(0.29)
Dixons Photo	Nov.	5,920	(5,500)	1.25	(0.76)
Elliott (E.)	Sept.	37	(104)	1.0	(1.0)
Fuller Smith Trnr	Sept.	811	(742)	3.5	(1.75)
GT Japan Inv.Tst.	Dec.	183	(387)	1.0	(2.0)
Gelfer (A & J)	Sept.	409	*(344)	1.5	(1.4)
Gnome Photo.	Nov.	198	(252)	—	(—)
Hales Properties	Sept.	190	(155)	1.0	(0.9)
Heath (Samuel)	Sept.	180	(355)	—	(—)
Howard Shttring.	Oct.	302	(219)	0.8	(0.54)
Letraset	Oct.	6,300	(5,200)	1.09	(0.99)
Lynton Holdings	Sept.	450	(466)	1.2	(1.2)
Magnet & Sthrns.	Sept.	12,800	(9,230)	3.0	(1.74)
Restmor Group	Oct.	750	(565)	0.5	(0.28)
Saville (J) Gordon	Oct.	723	(636)	0.53	(0.5)
Wellman Enginrg.	Sept.	545	(339)	1.6	(1.27)
Western Board	Sept.	655	(548)	1.7	(1.4)
Wigfall (Henry)	Oct.	269	(307)	3.0	(3.0)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue.

Scrip Issues

Corn Exchange—Seven for one.
Countryside Properties—Conversion of 5p shares into 25p shares.
S.G.B. Group—Four for five.

Rights Issue

Premier Consolidated Oilfields—Rights issue on the basis of one for four at 25p per share, raising £4.2m.
† Approximate figure before expenses.

APPOINTMENTS

Midland Bank International posts

Dr. Peter W. Russell Eggitt has been elected chairman of the SCIENTIFIC ADVISORY COMMITTEE OF THE FOOD MANUFACTURERS FEDERATION. He is Spillers director of research and technology.

★

Mr. N. J. Macmillan has been appointed managing director of N. S. MACFARLANE (FURNITURE). Mr. T. McCracken and Mr. R. S. Cairns have been appointed to the Board.

★

Mr. John M. Allan, marketing director, and Mr. R. B. Gavaghan, non-food procurement director, have been appointed to the main Board of FINE FARE.

★

Mr. J. M. Cannon, president of Croda Incorporated in New York, has been appointed managing director of CRODA INTERNATIONAL. Mr. P. S. Hudson, head of Croda Synthetic Chemicals, has also joined the Board.

★

Mr. Stanley R. Harding, a Hill-Samuel non-executive director, has been appointed chairman of LYME REGIS FINANCE to succeed Mr. G. E. Lunt who has resigned. Mr. D. O. Spyer, who has represented the interests of Hill Samuel and Co., the company's major shareholder, is resigning as a director.

★

Mr. Anthony Cockerill, senior lecturer in economics in the department of management sciences of the University of Manchester Institute of Science and Technology (UMIST) has been appointed as a Specialist Adviser to the SELECT COMMITTEE ON INDUSTRY AND TRADE. The all-party Committee of backbench MPs has recently been established as part of a new Parliamentary system to monitor the activities of government departments.

★

Mr. D. L. Hanson has been promoted from assistant general manager (international) to the new position of regional director at Midland Bank International. He will be in charge of the newly-formed Northern European region, consisting of the UK, the Netherlands, Denmark, Norway, Sweden and Finland, and will continue his responsibilities for the international corporate finance sector. The Northern European region will be headed by Mr. J. C. Wathen who has been appointed assistant general manager (international). Mr. K. G. Brown, a corporate finance director (international), is promoted to assistant general manager (international) in the corporate finance sector.

Mr. A. J. W. S. Leonard and Mr. A. K. Rae have been appointed directors of NORTH SEA ASSETS. Mr. Leonard was group treasurer and a director of Shell International. Mr. Rae is investment manager of the Scottish Equitable Life Assurance Society.

★

Mr. J. D. (Jay) Hale has joined LEYLAND VEHICLES as sales and marketing director, European operations. He will be responsible for the sale of all Leyland trucks and buses throughout Europe, as well as Sherpa vans. Mr. Richard Morley has become managing director, Benelux truck and bus division with responsibility for Deutsche Leyland, LVL's parts and service operation in Germany.

★

NOMURA SECURITIES has established a new overseas division. At the head is Mr. H. Kobayashi, managing director of Nomura Securities Tokyo. He is joined by Mr. M. Kurokawa, general manager, whose international experience in New York and London will allow the division not only to co-ordinate Nomura's worldwide network but also to establish a much closer link between the domestic and international aspects of the company's operations.

★

Mr. Peter Lowe has been made technical director of ROBERT MORTON DG, he was formerly director engineering services at Redlands. Mr. Aubrey C. Wood has become financial director. Robert Morton DG is a Hanson Trust company.

★

CHEMICAL AND THERMAL ENGINEERING has appointed its former managing director, Mr. B. E. A. Thomas as deputy chairman. Mr. Peter L. Robinson, one of the company's directors, has become managing director.

Mr. Gerald Boxall has been appointed to the executive committee of the engineering group of VICKERS as group director, special projects. He will also become managing director of Vickers fluid power division at South Marston, Swindon, in addition to his post as chief executive of the Michell Bearings division, Newcastle-upon-Tyne.

★

Mr. Brian Shorrock has joined BRIBOND PRINTED CIRCUITS, Chichester, as director and general manager. Bribond Printed Circuits is a Dowty Group electronics division company.

★

Mr. F. J. M. Patten, Group marketing executive of Rediffusion Ltd., and chairman of Rediffusion Vision, has succeeded Mr. Bryan Quilter, managing director of Granada TV Rental, as chairman of the NATIONAL TELEVISION RENTAL ASSOCIATION. Mr. Quilter will continue to be a member of the Council of the Association. Mr. P. A. Gosling, managing director of Radio Rentals, has succeeded Mr. Patten as deputy chairman of the Association.

★

Mr. R. A. Jones has been appointed a director fo BALFOUR KILPATRICK, a member of the Balfour Beatty Group of BICC. He will be responsible for developing and co-ordinating the commercial activities both in the UK and overseas.

★

Mr. John Robinson, previously with Dorman Diesels, has been appointed managing director of CHARLES WICKSTEED AND CO. He succeeds Mr. Brian Jackson, who has become managing director of Dorada Engineering.

★

Mr. Charles Macfarlane has been appointed managing director of FORD AND SLATER GROUP. He succeeds Mr. WJC "Bill" Ford who continues as chairman of the Group and managing director of UAC Motors, a division of UAC International, the parent company.

★

Mr. Gordon Goodrich has succeeded Mr. C. M. Dalley as president of the OIL INDUSTRIES CLUB. Mr. Goodrich is vice-president, Bechtel Great Britain.

★

DENTSLY INTERNATIONAL INC. has made the following appointments: Mr. George W. Thornton senior vice president, Mr. John J. Blair corporate vice president—teeth and merchandise, Mr. Joseph M. Dolce corporate vice president—equipment, Mr. J. Patrick Clark assistant secretary, Mr. David F. Hutt corporate vice president—ADI—UK group companies and Mr. Hansjorg Janssen corporate vice-president — Continental Europe group companies.

★

Mr. A. S. Minns has been appointed assistant director and Mr. W. H. Proby an assistant director at MORGAN GRENFELL.

★

Mr. Richard Morris has been appointed a director of HODDER AND STOUGHTON (the main Board of Hodder and Stoughton). He heads corporate planning department, and is also responsible for the financial management of all its overseas investments.

Mr. James Duncan has been elected president of the CHARTERED INSTITUTE OF TRANSPORT for the year commencing October 1. He is chairman of Transport Development Group.

★

ATCOATES BROTHERS AND COMPANY. Mr. T. Harris-Matthews has relinquished his post as company secretary and is succeeded by Mr. D. W. Wright. Mr. Harris-Matthews will continue in service until his retirement in August, and will undertake special assignments on behalf of the Board.

★

Mr. Harold L. Leddy has been made U.S. advertising director for NEWSWEEK INTERNATIONAL. He will oversee the U.S. and Latin American sales operations and will also be responsible for U.S. marketing and promotion. He succeeds Mr. Frank Tortorello who has become national sales manager for Inside Sports, another Newsweek, Inc., publication.

★

Mr. R. E. G. Sheppard has been elected to the board of CARL SCHENCK (UK).

★

Mr. Rodney Noon has been appointed managing director of BRITAX (COOPER) a part of BSG International. He succeeds Mr. Ron Court, who has retired.

★

Mr. George MacLaren, group financial controller, and Mr. Iain Laidlaw, group personnel manager, have been appointed to the Board of A. G. BARR AND CO.

★

Mr. Alan Sutton, director of Vendability—the Gardner Merchant service—has been appointed to the management board of the AUTOMATIC VENDING ASSOCIATION OF BRITAIN to represent the operators' sector of the industry.

★

Mr. Arthur Street, general manager of FAIREY MARINE (EAST COWES), has been appointed a director. The company is part of Fairey Allday Marine, a member of the Fairey Holdings Group.

★

Mr. Michael J. Gadd has been appointed purchasing director designate of REED PAPER AND BOARD (UK). He will become purchasing director when Mr. Haydn Tanner retires later in 1980.

Vickers special projects director

BROWN BROTHERS CORPORATION has appointed Mr. P. J. Horrell as group treasurer and company secretary. He has been financial director of Turner Manufacturing Company. Mr. Horrell replaces Mr. B. R. W. Daughtrey who has been acting as company secretary on a temporary basis.

★

Following the acquisition by Joseph Adamson of assets and personnel of Staveleys, the new board of STAVELEYS will be:—Mr. David James—chairman, Mr. Fred Dufffield—managing director, Mr. Edgar Barlow—financial director and Mr. Brian Powers—sales director. Application has been made to re-name the company Staveley Vessels and it is intended that while this company will be largely autonomous it will be run under the umbrella of the Joseph Adamson Group.

★

Mr. David A. Watts, group marketing executive of the Richardsons Westgarth Group, has been appointed to the board of group subsidiary S P GEARS AND INSTRUMENTATION.

★

Mr. Christopher Bliss has been appointed a director of GENERAL FUNDS INVESTMENT TRUST.

★

Mr. R. Farrar, a local director of the Birmingham district of BARCLAYS BANK, has also been appointed chairman of the Birmingham Board of Barclays merchant bank in place of Mr. K. Bridgwater who has retired.

★

Mr. Peter Faure has been appointed as the INDEPENDENT BROADCASTING AUTHORITY'S head of radio finance. He is currently an administrative officer (radio) at the IBA, with responsibilities for financial and related aspects of the development of independent local radio. He succeeds Mr. Gerald Margolis who has become financial director and company secretary of London Broadcasting Company.

★

Mr. Peter McGuigan has been appointed financial director of HAROLD WESLEY, a BPC subsidiary specialising in the production of stationery and Christmas decorations.

★

Mr. John Puddifoot has been appointed company secretary of SIMON ENGINEERING. He was formerly assistant company secretary.

★

The INDIANA NATIONAL BANK has appointed Mr. D. Scott Lutzke, assistant vice-president and representative of its London representative office. He replaces Mr. Timothy A. McGuire who has been appointed vice-president, corporate banking.

★

Mr. J. M. Harper has been appointed managing director designate of BAJ VICKERS, Banwell, Weston Super Mare. He will continue to serve on the Board of Vickers Engineering Group and as managing director of the Vickers nuclear engineering division at South Marston; but he will relinquish his post as managing director of Vickers Fluid Power, South Marston. Mr. M. A. Bowen (company secretary) and Mr. A. C. Johnson (chief engineer) have also been appointed to the BAJ Vickers Board. Mr. R. Enticott becomes a non-executive director in place of Mr. R. V. Jones.

★

Mr. Brian J. Thomas, group advertisement manager, and Mr. John Hardeman, editor-in-chief, have been appointed to the Board of BERROW'S NEWSPAPERS, Worcester.

★

Mr. P. J. Ford-Robinson has joined the Board of JARDINE MATHESON INSURANCE BROKERS.

★

Mr. C. D. Woodward has been appointed a director of the FIRE PROTECTION ASSOCIATION to succeed Mr. N. C. Strother Smith on his retirement in September.

★

Mr. Alan F. Farmer has been appointed general manager and secretary of the RAMSBURY BUILDING SOCIETY. He succeeds Mr. Roy Brodrick who has retired.

Mr. M. Vehbi Eyi has been appointed a director of AYRTON AND PARTNERS.

★

Mr. John K. Shepherd is joining BLUE CIRCLE INDUSTRIES on February 1 as a regional director to take over responsibilities for activities in North America and southern Africa.

★

Mr. N. Brocklebank, managing director of Priestman Brothers, has been elected president of the FEDERATION OF MANUFACTURERS OF CONSTRUCTION EQUIPMENT AND CRANES. Mr. T. E. Morgan, managing director of Brown Lenox and Co. has become deputy president and Mr. A. Cheetham, managing director of Stothert and Pitt, vice president.

★

The AMAX nickel division has been reorganised following the resignation of Mr. L. George Bonar as senior vice president—commercial. From February 1, Mr. Robert G. Dunn becomes vice president—sales and marketing. Mr. J. Barry Hartland, vice president — sales western hemisphere, and Mr. Olle Jarleborg, vice president—Europe, of Amax Nickel GMBH, a subsidiary of Amax, located in Dusseldorf. Mr. Robert R. Black, vice president and general counsel will be in charge of raw material acquisition in addition to his responsibilities as legal counsel for the division.

★

HOWARD ROTAVATOR COMPANY, part of the Howard Machinery Group, has made the following changes: Mr. Chris Smart has been appointed marketing director—responsible for UK and export sales, publicity and the product management team. Mr. Frank Moore has been made agricultural adviser and director, with responsibility for representing the company on UK and international agricultural organisations and advising the company on future agricultural oportunities.

★

Mr. David E. Hussey has been appointed a vice president of HARBRIDGE HOUSE INC.

★

Mr. Arthur Street, general manager of FAIREY MARINE (EAST COWES), has now been appointed a director. The company is part of Fairey Allday Marine, a member of the Fairey Holdings Group.

★

INTERNATIONAL MEXICAN BANK has appointed Mr. J. Abronee, Mr. O. de Baer, Mr. G. Cowen and Mr. C. Heroys assistant managing directors.

★

Mr. J. M. MacKinnon, chairman of the company's Scragg Division, has been appointed to the Board of STONE-PLATT INDUSTRIES.

★

Mr. James H. M. Bruce, formerly a director of Jardine Fleming and Co., Hong Kong, has been appointed to the Board of ROBERT FLEMING AND CO.

★

Mr. G. Gardiner has been appointed a director of AMALGAMATED TIN MINES OF NIGERIA (HOLDINGS).

★

Mr. Desmond Mann has been appointed to the Board of the PAZO COMPANY. He will succeed Mr. Geoffrey Robinson as managing director on April 1.

★

ROBERT STACE AND CO. has appointed Mr. D. Brewer as sales director, Mr. B. Groves as sales manager, Mr. A. Davey as group chief accountant and Mr. J. R. M. Holmes as company secretary.

★

Mr. Charles F. Cowley has been appointed a director and manager of the marine department of AMERICAN INTERNATIONAL UNDERWRITERS (LONDON) in succession to Mr. K. J. Kearney who has retired.

Mr. John Blackburn has been appointed managing director of the St. Regis International company CAMBRIAN BOARD MILLS.

★

Mr. Alan R. Knight has been appointed personnel director of MARDON SON AND HALL. He succeeds Mr. C. S. N. Tomlin on his retirement.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Shenley Trust	19 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

CORAL INDEX: Close 457/462 (+9)

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.310	—	—	—	—	2	6	F.291
ABN C	F.320	—	—	8	3	—	—	"
AKZ C	F.22.50	—	—	100	1.30	5	2	F.22.50
AKZ C	F.25	—	—	67	0.60	—	—	"
AKZ C	F.27.50	—	—	—	—	3	0.50	"
AKZ P	F.25	1	2.40	—	—	8	3	"
AKZ P	F.30	9	7.70	—	—	—	—	"
CSF C	F.400	—	—	3	139	—	—	F.539
CSF C	F.440	2	100	—	—	—	—	"
CSF C	F.480	—	—	—	—	1	72	"
HO C	F.20	—	—	—	—	20	3.90	F.21.10
HO C	F.22.50	—	—	10	1	20	1.80	"
HO C	F.25	—	—	—	—	20	1	"
HO C	F.30	—	—	—	—	1	0.40	"
IBM C	$60	12	9⅝	—	—	—	—	$69⅜
IBM C	$65	20	4⅝	1	5⅝	—	—	"
IBM C	$70	39	¼	6	3¾	10	5⅝	"
IBM C	$75	—	—	34	1⅞	—	—	"
KLM C	F.70	105	0.10	18	3.80	22	5.70	F.66
KLM C	F.80	—	—	74	0.90	158	2.50	"
KLM C	F.90	—	—	20	0.30	27	0.90	"
KLM C	F.100	—	—	5	0.10	—	—	"
KLM P	F.70	485	1.80	18	4.80	11	5.60	"
KLM P	F.80	41	11.80	2	12	—	—	"
KLM P	F.90	6	21.70	—	—	—	—	"
NN C	F.115	8	3.70	30	6.80	—	—	F.118.30
NN C	F.120	—	—	86	3.50	—	—	"
PET C	Fr.4600	1	1100	—	—	—	—	Fr.5650
PET C	Fr.5000	4	640	—	—	—	—	"
PET C	Fr.5500	13	180	5	370	—	—	"
PET C	Fr.6000	—	—	7	220	13	330	"
PHI C	F.20	115	0.20	53	1.20	59	1.50	F.19.80
PHI C	F.22.50	—	—	30	0.30	33	0.50	"
PHI P	F.20	1	0.30	17	0.90	58	1.10	"
PHI P	F.22.50	42	2.70	35	2.90	—	—	"
PHI P	F.25	3	5	—	—	—	—	"
RD C	F.135	40	9	—	—	—	—	F.143.80
RD C	F.140	352	4	75	8.80	3	10	"
RD C	F.145	126	0.10	11	5.60	50	6.70	"
RD C	F.150	—	—	67	3.20	33	4.40	"
RD C	F.160	—	—	210	0.90	60	1.70	"
RD P	F.140	—	—	6	2.30	—	—	"
RD P	F.145	407	1	19	4.40	—	—	"
RD P	F.150	56	6	59	7.20	—	—	"
RD P	F.160	1	15.90	6	16.10	—	—	"
UNI C	F.110	—	—	1	8.30	—	—	F.114.90
UNI C	F.115	5	0.10	—	—	—	—	"
UNI C	F.120	—	—	3	2.50	—	—	"
XRX C	$50	4	12⅞	2	13⅝	—	—	$62⅞
XRX C	$60	44	3	42	5¾	—	—	"
		Feb.		May		Aug.		
BA C	$50	2	11⅛	—	—	—	—	$61⅛
BA C	$60	—	—	48	6⅜	20	8⅛	"
OXY C	$25	1	2⅛	—	—	—	—	$26¼
		March		June		Sept.		
GM C	$50	4	4	—	—	—	—	$52⅞
TOTAL VOLUME IN CONTRACTS						3770		

C=Call P=Put

CLAVERHOUSE INVESTMENT TRUST LIMITED

FINANCIAL STATEMENT FOR YEAR TO 31ST DECEMBER (UNAUDITED)

	1979	1978
Revenue before tax	£874,954	£664,565
Earned per share	6.05p	4.43p
Interim dividend per share	2.25p	1.50p
Final dividend per share	3.70p	2.90p
Net Asset Value per share	116.02p	110.77p

Value of investments: £11,752,485

Manager
INVESTMENT TRUST SERVICES LIMITED

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone: 01-621 1917

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	73	—	6.7	9.2	4.3†
50	38	Armitage and Rhodes	40	+1	3.8	9.5	2.8†
225	185	Bardon Hill	225	—	13.8	6.1	6.8†
101	63	Deborah Ord.	93	+1	5.0	5.4	10.2
353	140	Deborah 17½% CULS	350	—	17.5	5.0	—
92	88	Frank Horsell	92	—	7.9	8.6	5.7
129	100	Frederick Parker	108	−1	12.8	11.9	8.4†
156	105	George Blair	105	−2	16.5	15.7	—†
61	45	Jackson Group	60	+1	5.2	8.7	3.5†
163	115	James Burrough	116	—	7.2	6.2	10.2
300	242	Robert Jenkins	250	+3	31.3	12.5	8.0†
232	175	Torday Limited	223	—	14.3	6.4	5.8†
34	16½	Twinlock Ord	22	+0½	0.8	3.7	4.4†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	56	+1	2.6	4.6	11.9
84	42	Walter Alexander	81	−1	4.4	5.4	5.4
190	136	W. S. Yeates	185	—	11.5	6.2	7.2

† Accounts prepared under provisions of SSAP 15.

SPAIN

January 18	Price %	+ or −
Banco Bilbao	209.0	+4.0
Banco Central	226.0	+4.0
Banco Exterior	211.0	+2.0
Banco Hispano	212.0	+4.0
Banco Ind. Cat.	135.0	
Banco Madrid	175	
Banco Santander	246.0	+4.0
Banco Urquijo	165.0	
Banco Vizcaya	215.0	+4.0
Banco Zaragozano	205.0	
Dragados	106.0	+2.5
Espanola Zinc	59.0	
Fecsa	59.0	+0.3
Gal. Preciados	35.5	−2.5
Hidrola	65.7	+1.5
Iberduero	63.0	+0.5
Petroleos	117.0	−3.0
Petroliber	73.0	
Sogefisa	115	
Telefonica	57	+1.5
Union Elect.	65.2	−0.3

Narrow losses on Wall St.

STOCKS WERE narrowly lower in active trading on Wall Street yesterday, when the First National Bank of Chicago raised its prime rate to 15¼ per cent from 15 per cent, bringing it back into line with most of the major banks.

By 1 pm the Dow Jones Industrial Average was off 0.43 at 836.14, reducing its gain on the week to 4.61, while the NYSE All Common Index, at $63.67, shed 13 cents on the day but was still up 34 cents on the week. Declines led advances by an eight-to-five majority, while

Closing prices for North America were not available for this edition.

the trading volume decreased 3.9m shares to 32.152m compared with 1 pm Thursday.

Schering-Plough slipped $⅜ to $36¾ in heavy trading, after gaining $4 on Thursday on news about Interferon production rights. Electro-Nucleonics advanced $1⅛ to $9 bid, Over-the-Counter—it plans to increase Interferon production.

Marathon Oil rose $2¼ to $54½. Louisiana Land $1⅝ to $49¼, Kerr-McGee $1½ to $73¾, and Bow Valley Industries $2⅞ to $40⅛ (on the American SE). They are partners in a Marathon Hydrocarbon find in the British North Sea.

Gold and Silver moved to record price levels but then backed off. Precious Metals were mixed. Active Benguet Consolidated added $⅝ at $15½ but ASA lost $⅝ to $52¾ and Homestake Mining $1½ to $62. While Dome Mines held unchanged at $59⅞, Hecla Mining put on $⅛ to $46½ and Sunshine $½ to $37½, but Callahan lost $1 to $38⅛.

Texaco improved $⅝ to $32½—it received $622.6m in cash for its stake in Belridge Oil Co.

Ralston Purina picked up $⅛ to $11¼—it raised the quarterly dividend.

Republic Steel dipped $⅜ to $23⅜ and International Paper $1 to $41⅜—each reported sharply lower fourth quarter net earnings.

THE AMERICAN SE Market Value Index gained 0.98 to 263.93, making a rise of 8.17 on the week.

The ASE set a volume record this week as trading reached 53m shares by Thursday, topping the previous full week record of 46.5m shares set in 1968.

Volume leader Goldfield slipped $⅛ to $2⅞, but Atlas Consolidated "B" in second place, rose $⅛ to $6⅞.

Active Bow Valley Industries jumped $3½ to $40⅛—it is a participant in a British North Sea Hydrocarbon find by Marathon Oil.

National Kinney fell $1¼ to $9—Thursday it reached agreement to acquire Aladdin Hotel Corp. in Las Vegas.

Canada

Markets pulled back from earlier levels but remained higher in active noon trading yesterday, when the Toronto Composite Index was up 1.2 at 1,989.3.

The Gold Share Index was up 43.4 at 3,160.8, Oil and Gas 15.3 at 3,937.0, Metals and Minerals 8.5 at 2,068.0, and Papers 1.70 at 184.15. But Utilities eased 1.37 at 262.07 and Banks 0.87 at 323.70.

Amsterdam

Major Indices slipped to new lows for 1980.

Philips, which announced reorganisation plans shed Fls 0.30 to 19.7 in Dutch Internationals.

ABN fell another Fls 9.5 to 290 on concern about its results, particularly abroad.

State Loans tended higher.

Paris

Operators' attention is still focused on the International political situation, and news of a narrower French December Trade Deficit had little affect on the Stock Market.

Switzerland

Most Banking issues posted small gains, contrasting with a rather weaker Industrial sector. Financials and Insurances were mixed.

Apparently, one large buying order for Moevenpick boosted the shares SwFr 100 to 2,950.

Almost all Zurich insurance shares were down, while Baloise shares, Helvetia and National Versicherung scored gains.

Atelier Vevey advanced SwFr 20 to 1,350 — financier Werner K. Rey confirmed that he had bought some of the company's outstanding shares, *fuelling speculation on an extension of the already impressive rise of these shares*. Werner Rey had made headlines when he had taken over the majority stake in Bally before *selling the shoe producer to* Oerlikon Buehrle. However, dealers doubted that Rey was planning a similar move with Atelier Vevey.

Germany

Most leading shares closed weaker, with turnover sharply down. There is a lack of buying interest in view of the high price of Gold.

Conti Gumn rose DM 2.50 to 45.5 against the trend, while Preussag firmed DM 0.20 to 157.2.

On the Domestic Bond Market Public Authority issues were mostly easier, showing some gains of up to DM 0.15 and losses of up to DM 0.50, while the Regulating Authorities sold a nominal DM 3.8m of stock.

Mark Foreign Loans eased.

Hong Kong

Late selling pared early gains in active trading on substantially higher volume.

The market's late weakness, following Thursday's 18.45 index gain, was attributed largely to lack of substantial support, with equities overshadowed by the active local bullion market.

Tokyo

Prices closed lower in moderate trading after late profit-taking and liquidations pared initial gains.

Energy-related issues, Trading Houses, Chemicals and Speculatives were down as investors became cautious after recent gains.

Mitsui, which has invested heavily in a joint petrochemical deal with Iran, fell Y6 to Y340 on reports Japan agreed to consider a U.S. request for co-operation in economic sanctions against Iran, and other Trading Houses also fell.

Non-Ferrous Metals, however, firmed on the rise in overseas Gold prices, with Dowa Mining rising Y17 to 479 and Furukawa Mining Y6 to 209.

Machine Tools rose on expectations of higher Industrial Machine Orders.

Singapore

Prices dropped broadly on quite heavy selling. Profit-taking combined with rumours about tensions along the Russian-Afghanistan-Chinese border.

One broker said the market had been overbought, adding that the quality of buying has degenerated in the past few days.

Johannesburg

Gold shares were mixed to firmer in hectic and nervous trading as a sharply higher Financial Rand inhibited overseas demand and offset record Gold prices.

Mining Financials shadowed Producers, while Platinums eased.

Industrials closed mixed.

The Johannesburg S.E. said trading hours have been cut by one hour a day owing to increased administrative work following the recent record-breaking turnover on the Exchange. Trading will now start at 07.30 GMT and finish at 13.00 GMT instead of 14.00 GMT.

Australia

Markets rounded off a busy week with a high volume in an erratic trading session. Although the lists were full of good gains stocks rarely reacted as anticipated.

The booming price for gold saw Central Norseman taking a fall dragging Emperor and Peko Wallsend down with it. The "cheaper" Golds tended to push ahead on small investor buying.

The Cudgen Group was well featured. Aberfoyle turned in another good showing on the strength of its recent involvements in silver. MIM, a big existing producer of silver, were firm.

Hartogen Energy advanced 25 cents to $A3.10 on a new gas find at Kincora, but AOG with major involvements in the same area took a loss. Woodside finished the week under selling pressure.

JAPANESE TRADING HOUSE FINANCE

Mitsubishi follows the guidelines

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

MITSUBISHI Corporation, Japan's largest general trading company, will eliminate over-borrowing from its sister company, Mitsubishi Bank, by the end of the current fiscal year, the company has announced.

This may leave Mitsui and Co., another major general trader, as the only company to be involved in over-borrowing when the new Finance Ministry guidelines come into force on April 1.

Under the MOF guidelines, Japanese City banks will be required not to lend more than the equivalent of 20 per cent of their "owned capital" to any single corporate borrower. Mitsubishi Corporation's borrowings from Mitsubishi Bank were Y32bn ($135m) over this limit at the end of last year while Mitsui and Co.'s borrowings from Mitsui Bank are currently about Y66bn over the limit.

Repayment by Mitsui and Co. of its excess borrowings from Mitsui Bank in time to meet the MOF deadline would be possible in theory but would mean that Mitsui Bank would become a smaller lender to Mitsui and Co. than other major banks such as the Bank of Tokyo. This is unacceptable to the Mitsui Group which regards it as essential that Mitsui Bank should continue to be the main bank of Mitsui and Company.

Mitsubishi Bank's position as main bank to Mitsubishi Corporation could also have been threatened by strict observation of the MOF guidelines, but Mitsubishi Corporation will avoid this danger by repaying loans from other major banks as well as from Mitsubishi. Approximately Y20bn will be repaid to the Bank of Tokyo, and thus ensure that loans from the Bank of Tokyo remain smaller than those from Mitsubishi Bank.

In all, Mitsubishi Corporation expects to repay some Y70bn of loans to its three principal banks — Mitsubishi Bank, Bank of Tokyo and Dai-ichi Kangyo Bank—in order to comply with Finance Ministry guidelines without disturbing the present pattern of its banking relationships. It will finance these repayments by borrowing from other banks, such as Sumitomo.

Mitsubishi says that it hopes, in the long run, to diversify its sources of funds away from the City banks towards other sources, such as the equity and bond markets. Foreign banks (which currently have outstanding loans of around Y50bn to Mitsubishi) are also regarded as promising future fund suppliers. For the moment, however, foreign bank funds are relatively dear from Mitsubishi's point of view—compared with those available from domestic banks.

The MOF financing guidelines, which were announced in December 1974, were originally designed to prevent general trading companies from monopolising bank credit at the expense of other enterprises. Public concern about the rapid growth of general trading companies and their tendency to absorb smaller companies was at its height in the years 1973-74, and has since diminished considerably. For this reason the Finance Ministry may not take a stern view of the Mitsui Group's probably failure to comply with its guidelines.

MOF officials have said, however, that Mitsui may have to pay a "social penalty" for not toeing the line. This could take the form of attacks on the group by opposition politicians in the Japanese Diet.

Peak year for Porsche but outlook gloomy

By Kevin Done in Frankfurt

PORSCHE, the West German specialist sports car manufacturer, enjoyed a record year in 1978-79, but in common with the rest of the German motor industry it is predicting slackening in demand in 1980.

The prolonged boom in the motor industry appears to be over and both Ford and Opel, two of the leading volume car-makers are extending short-time working because of stagnating demand for their larger models.

Porsche more than doubled its after-tax profit in the year ended July, 1979, to DM 22.8m compared with DM 10m. Its sales volume rose by 13 per cent to reach 39,500 vehicles, while the value of sales jumped 20 per cent to DM 1.35bn with production working to full capacity.

The share taken by exports was slightly less at 65 per cent compared with 69 per cent in the previous year, because demand in the U.S. failed to grow as fast as in other markets.

The company is paying a dividend of 14 per cent compared with 10 per cent, its shares are 100 per cent owned by the Porsche and Piech families.

Porsche is looking cautiously at the prospects for the current business year and said yesterday that it would "scarcely be possible" to repeat the results of 1978-79. Porsche, too, would be affected by the return to more normal trading conditions in the motor industry. There was a particular weakening of demand in the U.S.

The position is less favourable for the big volume car makers Ford and Opel. Opel, which had to introduce two weeks short-time working in November and December said yesterday that short-time working would be introduced again on Monday at its works at Rüsselsheim and at its components factory at Kaiserslautern.

Opel's short-time working is being caused by stagnating demand for its larger models

Ford's problems have arisen because of falling sales of its Granada models. It is introducing a two week's short-time working in February for 12,000 of its workforce at the Niehl, Cologne, factory.

Republic Steel has sharp fourth quarter setback

BY OUR FINANCIAL STAFF

A SHARP downturn in the final quarter of the year is reported by Republic Steel Corporation. Earnings for the full year have risen from $111.1m or $6.86 a share to $121.2m or $7.49 a share. But fourth quarter earnings slumped from $39.4m or $2.43 a share to a mere $6.1m or 38 cents a share.

Sales for the quarter edged up from $879.2m to $924m, bringing the total for the year to $4.02bn against $3.50bn last time.

Earnings totals for the first three quarters have been restated to allow for the change in accounting to capitalise interest expenses during construction.

Mr. William J. De Laney, chairman and chief executive, said fourth quarter results were significantly affected by a decline in certain segments of the economy vital to steel. As a result "our shipments decreased and operating rates were reduced to reflect the lower level of demand."

Profitability was further adversely affected by the fact that the group's prices were held under a rigid ceiling to comply with the Government's price guidelines programme, yet the great majority of costs were not covered by the guidelines, Mr. De Laney declared.

He added that steel shipments in 1979 totalled 7.4m tons compared with 7.2m tons in 1978. Raw steel production of 10m tons was up slightly from 1978 production of 9.99m tons.

Chrysler to fund $250m by debentures

By Our New York Staff

CHRYSLER plans to offer about $250m in convertible debentures to dealers, suppliers and others with a stake in its future rather than issuing a similar amount of preferred stock as originally intended.

The switch has been made because of restrictions contained in Chrysler aid legislation approved last month by Congress which would have prevented the company making dividend payments on new preferred stock for some years to come.

The proposed debentures would be convertible into preferred shares, although terms for conversion and other details of the issue have not been released.

Timing of the issue is also unclear, but the company has yet to file a registration statement with the Securities and Exchange Commission.

The $250m would form part of the $2bn which Chrysler has to raise in order to trigger Federal loan guarantees of $1.5bn authorised by Congress.

Connecticut General

Connecticut General Insurance has requested a rehearing of an order by the Missouri Director of Insurance denying its application to acquire control of ERC Corporation, reports Reuter from Hartford. The Missouri Director said he felt the merger would be anti-competitive. Connecticut General also said it is "continuing to review its alternatives" in light of ERC's announcement that it would not support Connecticut's $90 a share offer.

Asset sales boost profits at International Paper

BY OUR NEW YORK STAFF

INTERNATIONAL Paper, the world's largest paper company yesterday reported doubled annual earnings in 1979, mainly because of asset sales during the year.

Stripped of this and other unusual items in both the 1978 and 1979 figures, the New York company said that last year's earnings were 10 per cent higher at $276m.

Actual net earnings, boosted by the sale of General Crude Oil and also timberlands in Florida, came out at $525m against $234m the previous year.

But these figures mask a drifting downwards of earnings in the second half of the year which resulted in a sharp drop in fourth quarter profits.

The company earned $34m from continuing operations in the fourth quarter compared with $78m in the same period of 1978. As previously announced earnings in the last quarter were reduced by a write-down of $14.4m on the company's balance sheet goodwil and by a $9m extraordinary tax provision.

InternlanoitaETA5H tha International Paper also suffered in the fourth quarter from longer than normal holiday shutdowns for maintenance at a number of pulp and paper mills.

Sales from continuing operations in the fourth quarter were $1.2bn against $1.1bn. In the whole year, sales were up by 12.5 per cent at $4bn.

INSURANCE BASE RATES

† Property Growth 15½%
† Vanbrugh Guaranteed 14¼%

† Address shown under Insurance and Property Table.

Carter bonds to test market

By Francis Ghilès

THE second tranche of "Carter bonds" to be issued by the U.S. Government in the West German capital markets is now on offer. The U.S. Treasury is offering up to DM2bn worth of 2½- and 3½-year notes, the second instalment of an operation which raised just over DM2bn last November.

German investors have until January 23 to subscribe to the notes, and the interest rate offered to investors on both tranches will be announced next Monday by the Bundesbank.

The climate in the German capital markets is very different today from that of last November, and bond market dealers have expressed doubts as to whether the second tranche of the Carter bonds would be as heavily over-subscribed as the first tranche.

Fiat's market share shrinks

BY PAUL BETTS IN ROME

FIAT, Italy's largest private enterprise, is expected to report disappointing results for 1979, particularly in its car, commercial vehicles and steel divisions which together account for about 70 per cent of overall turnover.

Consolidated turnover last year increased by 15 per cent—against a current annual inflation rate in Italy of nearly 20 per cent—to just over L15,000bn in 1979, the Italian Communist party official newspaper, L'Unita, claimed yesterday. The newspaper said the figures were contained in the annual letter to Fiat shareholders to be distributed later this month.

The figures show a 27.3 per cent increase in sales revenue in the car division to L7,350bn, a 5.4 per cent rise to L3,450bn in commercial vehicle sales, and a 13 per cent increase to L1,425bn in steel revenues.

Sales in machine tools, the energy division, railway equipment and construction machinery increased by 10 per cent, 5.7 per cent, 2.9 per cent and 4.5 per cent respectively. Civil engineering revenue dropped by 11.5 per cent.

In the case of the car division, the rise in sales reflects price increases, according to L'Unita.

Indeed, Fiat lost production amounting to 200,000 cars as a result of labour unrest. The letter to shareholders claims Fiat was penalised last year because of bitter labour friction and low productivity.

Fiat's market share of the Italian market was furhter reduced—to 51 per cent compared to 53.9 per cent in 1978 and 54.9 per cent in 1977.

Fiat last night declined to comment on the newspaper report. The company indicated that the figures in the chairman's letter still had to be fully approved by the Fiat board at a meeting next week.

Nomura Securities lifts earnings

BY OUR FINANCIAL STAFF

NOMURA SECURITIES, the largest of the Japanese securities houses, has announced an increase of 1.6 per cent in consolidated net profits for the year ended September 30, to Y40.1bn ($170m), on a preliminary basis, from Y39.47bn in 1977-78.

The figures, struck in accordance with Japanese accounting principles will be followed later this month by accounts made up in line with international standards.

Nomura has also reported consolidated recurring income for the year of Y75.17bn, or 3 per cent more than Y73.50bn of 1977-78, and revenues of Y216.8bn, against Y212.58bn. Earnings per share fell to Y30.18, from Y34.69 reflecting increases in capital.

In November, Nomura in company with other Japanese securities houses, reported reduced profits at the parent company level—in its case a fall of 7.8 per cent in net income to Y37.54bn, as a result of the unfavourable conditions in the bond market.

Consolidated net profit at Daiwa Securities, another of Japan's four largest securities houses, rose by 9.3 per cent to Y18.13bn, from Y16.59bn, on revenues up 1.5 per cent to Y118.84bn from Y117.04bn. Foreign exchange gains at subsidiaries amounting to Y1.92bn. On parent company basis, Daiwa's net profit was down 10.8 per cent to Y14.66bn.

Yamaichi Securities' consolidated returns showed a fall of 1.2 per cent in net profit to Y15.04bn, from Y15.22bn, compared with a decline of 7.6 per cent to Y13.08bn in parent company net earnings.

COMMODITIES/REVIEW OF THE WEEK

Gold fever brings spectacular rises

BY OUR COMMODITIES STAFF

THE SPECTACULAR rise in gold and silver, continued to dominate the commodity markets, especially metals.

Copper prices soared to the highest level since May 1974 following waves of heavy speculative buying. Cash wirebars closed last night at £1,197 a tonne, £98.25 up on the day and £172 higher than a week ago. Dealers said that virtually all the demand came from speculators, encouraged by the rise in gold and the continued crises in Afgranistan and Iran.

Lead prices rallied strongly this week wiping out the previous steep decline. Reports that the Soviet Union had re-entered the market as a substantial buyer pushed the cash price up by £61.5 to £449 a tonne.

A significant feature of the market was that the cash price moved to a premium of £8.5 over the three months quotation indicating a shortage of nearby supplies available, even though warehouse stocks are expected to be unchanged.

A technical shortage of nearby supplies, as a result of one dealer holding the bulk of the available tin, brought sharp price fluctuations in the tin market this week. The cash price was forced to over £8,000 a tonne at one stage before coming back sharply to £7,540 a tonne, still £150 up on the week, following an inflow of stocks into the warehouses.

The International Tin Council announced yesterday that it is to resume talks on February 26 with the U.S. over the proposed release of 35,000 long tons of surplus tin from its strategic stockpile.

At the Council meeting this week tin exporting countries protested about the stockpile tin sales, which are due to start on March 1. No decision either was reached this week on producers' demands for a rise in the International Tin Agreement price range.

Silver prices rocketed up in line with gold. The bullion spot price at the morning fixing yesterday was raised to a new peak of 2,165.05p an ounce, 543.7p up on a week ago. Free market platinum had an equally spectacular rise, moving up during the week by £74.65 to £402.65 an ounce.

Rubber was the star performer among the soft commodities with the RSS No. 1 spot position on the London physical market gaining 8p to a new all-time peak of 80p a kilo.

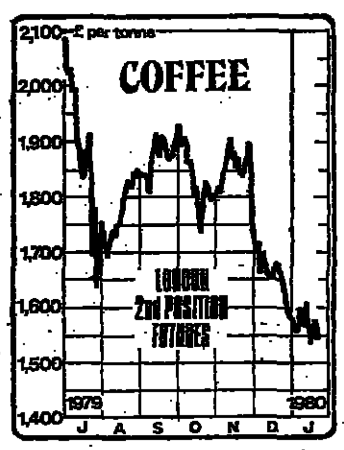
Tension in the Middle East also encouraged a sharp rise in world sugar prices. Rumours of further Russian and Chinese buying provided further upward pressure. By last night's close the May position was quoted at £199.30 a tonne, up £17.30 on the week.

The London daily raw sugar price gained £24 to £192 a tonne.

Coffee's bearish supply/demand outlook was highlighted by confirmation that Brazil aimed to export 15m bags (60 kilos each) this year against 12m in 1978. This led to market speculation that price discounts would continue to be offered to large buyers and the March position ended the week £62.5 down at £1,544.5 a tonne.

The cocoa market tone was more confused with Brazil announcing it had 300,000 bags available for export.

The May delivery position on the London cocoa futures market ended £13.5 down at £1,450.5 a tonne.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£770/810*	—	£710	£790	£710
Free Markets c.i.f.	$1850/1966	—	$1,240/55	$1,900	$1,210
Antimony					
Free Market 99.6%	$3250/3300	+22.5	$2,675/750	$3,275	$2,712.5
Copper Cash Wire Bars	£1,197	+172	£843.5	£1,197	£759
3 months Do. Do	£1,227.5	+175	£858.25	£1,227.5	£783.75
Cash Cathodes	£1,167.5	+174.5	£826.5	£1,167.5	£744.5
3 months Do	£1,199	+173	£845.5	£1,199	£767.25
Gold per oz	$835	+211.5	$229.625	$835	$216.625
Lead cash	£499	+61.5	£501	£701.5	£434.5
3 months	£490.5	+53.5	£465.5	£642.5	£420.75
Nickel	£3,195.78	—	‡	£3,260.17	£2,320.69
Free Market c.i.f. lb	280/310c	+2.5	159/75c	340c	166c
Platinum per oz	£189	—	£152	£195	£152
Free Market per oz	£402.65	+74.65	£183.15	£402.65	£166.6
Quicksilver (76lbs.)	$385/395	+2.5	$200/210	$395	$160
Silver per oz	2,165.05p	+543.7	310.8p	2,165.05p	269.4p
3 months per oz	2,185.05p	+520.7	319.1p	2,185.05p	303.7p
Tin cash	£7,540	+150	£6,945	£7,957.5	£6,320
3 months	£7,395	+170	£6,865	£7,620	£6,368
Tungsten Ind.	$134.51	—3.49	$144.29	$145.56	$127.94
Wolfram (22.04 lb)	$140/144	+1	$126.31	$144/149	$120.5
Zinc cash	£341	+7	£389	£408.5	£275.5
3 months	£356.5	+7	£380.25	£423.5	£286.25
Producers	$780	—	$720	$845	$720
GRAINS					
Barley					
Home Futures	£96.80	+1.95	£88.8	£98.80	£85.8
Maize					
French No. 3 Yellow (Amer)	‡	—	£110	£120	£106.5
WHEAT					
No. 1 Red Spring	‡	—	‡	£99.0	£92.0
Am. Hard Winter	£94.75z	+1.75	£85.75	£111.75	£85.5
Eng. Milling (new crop)	‡	—	£93.5	£107.5	£43.5
SPICES					
Cloves (g)	£3,870x	—130	£3,975	£4,000	£3,850
Pepper, white	$2,775x	—50	$2,825	$2,850	$2 500
" black	$1,950x	—50	$1,825	$2,000	$1 680
OILS					
Coconut (Philippines)	$915w	—	$995	$1,175	$870
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	$393	+25	£369	£441	£368
Palm Malayan	$675z	+30	$630	$720	$582.50
SEEDS					
Copra (Philippines)	$600	+26	$680	$745	$565.5
Soyabeans (U.S.)	‡	—	$291.1	$350.45r	$236.2*
OTHER COMMODITIES					
Cocoa Shipment	£1,517	—5	£1,878	£2,041	£1,446
F'ts 2nd psn.	£1,450.5	—13.5	£1,827.25	£1,990.5	£1,330.5
Coffee Futures March	£1,544.5	—62.5	£1,387.5	£2,089	£1,298.5
Cotton Index	87.90c	+5.1	75.6c	87.90c	72.5c
Des. Coconut	£730	—	£740	£740	£700
Jute LJ ASW C grade	£224x	—	$515	£253	£224
Rubber kilo	80p	+8	55.75p	80p	55p
Sago Pearl	£211x	—5	£183	£219	£178
Sisal No. 3 L	$685	—	$515/20	$685	$515
Sugar (Raw)	£192	+24	£94	£192	£92.5
Tapioca No. 1	£206x	—5	£187	£211	£167
Tea (quality) kilo	150p	+5	135p	158p	123p
" (plain) kilo	81p	+6	79p	82p	57p
Wooltops 64s Warp	282p kilo	+3	268p kilo	295p kilo	262p kilo

*Alcan price raised 50 to $10. ‡ Unquoted. (g) Madagascar. (x) Jan./Feb. (z) Feb. (w) March/April. (y) April.

MARKET REPORTS

BASE METALS

COPPER—Surged ahead on the London Metal Exchange in the wake of booming precious metals prices. A strong opening, prompted by overnight U.S. markets, saw forward metal trade around £1,200 on the pre-market before profit-taking pared this price to £1,175. However, in the afternoon a fresh advance on Comex fuelled renewed heavy speculative buying here and forward metal advanced to £1,235 before closing the late kerb at £1,230. The contango narrowed sharply as heavy purchases of cash material, believed to be in the region of 10,000 tonnes, was reported. Turnover 38,875 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1152-3	+77	1198-8	+98.2
3 months	1189-.5	+80.7	1227-8	+94
Settlem't	1153	+77	—	......
Cathodes				
Cash	1127-8	+75.7	1166-9	+91
3 months	1163-4	+77	1198.1200	+88
Settlem't	1128	+74	—	......
U.S. Prod	—	......	*110-12	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,153, three months £1,180, 82, 83, 84, 85, 86, 88, 87, 88, 89, 90, 89, 88.5, 88, 87.5, 95, 90, 85, 86, 87, 90, 89, 88, 89, 90, 89, 88, 89, 90, 89, 88, 89, 90, 89.5. Cathodes: cash £1,128, three months £1,153. Kerbs: Wirebars three months £1,186, 88, 89, 92, 94, 95, 94, 94.5, 94, 93, 91, 92. Afternoon: Wirebars three months £1,220, 25, 30, 25, 28, 26, 25, 26, 25, 24, 23, 22, 21, 20, 25, 23, 25, 28, 29, 28, 26, 28, 27, 28, 29, 30, 35, 32, 30, 28, 27. Cathodes: three months £1,205, 1,200. Kerbs: Wirebars three months £1,229, 27, 28, 29, 30, 32, 30, 28, 29, 30, 31, 30.

TIN—Higher as the strength of other metals coupled with the rise at Penang saw forward metal advance from £7,360 to £7,420 prior to a close on the kerb of £7,410. Forecasts of a rise in warehouse stocks, with material attracted by the recent substantial backwardations, caused the latter to narrow to £150 at one point. Turnover 780 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7578-98	—42.5	7530-50	+45
3 months	7375-80	+55	7390-410	+118
Settlem't	7590	—55	—	......
Standard				
Cash	7570-90	—42.5	7530-50	+45
3 months	7375-80	+67.5	7390-400	+128
Settlem't	7590	—55	—	......
Straits E.	‡$2161	+18	—	......
NewYork	—			

Morning: Standard cash £7,580, three months £7,360, 60, 70, 75, 80, 70, 75. Kerbs: Standard three months £7,370. Afternoon: Standard cash £7,580, three months £7,380, 7,400, 7,390, 7,400. Kerbs: Standard three months £7,430, 20, 10, 7,400.

LEAD—Gained ground on fresh speculative buying which lifted forward metal to £500 on the early pre-market. However, the market failed to sustain this level as profit-taking pared the price to £487.5 on the late kerb. Turnover 11,750 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	498-9	+15.5	498-500	+8
3 months	489-90	+14	490-1	+6
S'ment	499	+15	—	......
U.S. Spot	—	......	*50	......

Morning: cash £498, 500, 03, 500, three months £490, 89, 90, 91, 93, 92, 91, 90, 89. Kerbs: three months £488, 86, 87. Afternoon: three months £491, 90, 88, 87, 88, 88, 90, 91, 90. Kerbs: three months £490, 89, 90, 91, 90, 89, 88.

ZINC—Moved ahead strongly to touch £358 before closing late kerb at £353 as the boom in other metals prompted heavy fresh buying of zinc. Turnover 11,325 tonnes.

Morning: cash £333, three months £350, 49, 49.5, 48, 49, 49.5, 48, 49, 48.5. Kerbs: three months £348. Afternoon: three months £350, 51, 52, 53, 54, 55,

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	332-3	+3	340-2	+11
3 months	348-.5	+5	356-7	+11
S'ment	333	+.5	—	......
Primw'ts	—	......	*37.5	......

56, 57, 56, 55, 56, 57, 57.5, 56, 57, 57.5, 58, 57. Kerbs: three months £357, 55, 52, 51, 50, 51, 52.

ALUMINIUM—Edged higher in quiet trading with the market held back by forecasts of a fairly large rise in stocks. Forward metal held around the £920 level prior to closing the late kerb at £921. Turnover 6,700 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	919-21	+2.5	922-4	+7.5
3 months	917-9	+10.5	919-.5	+7.75

Morning: three months £921, 20, 19, 19.5, 19, 20, 19.5, 20, 19, 18. Kerbs: three months £917, 18. Afternoon: three months £918, 19, 19.5, 20. Kerbs: three months £921, 20, 21.

NICKEL—Firmer. The general rise in other metals coupled with reported Commission House buying lifted forward metal to £3,040 in the morning but profit-taking emerged in the afternoon and this pared the price to £3,020 on the late kerb. Turnover 1,140 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2930-40	+22.5	2925-35	+45
3 months	3015-8	+51.5	3010-5	+57.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: three months £3,030, 40, 35, 30, 27, 25, 28, 25, 30, 20, 18. Kerbs: three months £3,020. Afternoon: three months £3,025, 15, 10, 15, 20, 18, 20, 15. Kerbs: three months £3,020, 25, 20, 10, 20.

SILVER

Silver rose by £2.4945 an ounce in the London bullion market yesterday to a record fixing of £21.6505. U.S. cent equivalents of the fixing levels were: spot $49.45, up $6.1; three-month $49.633, up 5.933; six-month $49.735, up $5.5960; and 12-month $50.081, up $5.1570. The metal opened at £21-£22 ($48-$50) and closed at £47-£49 ($20½-$21½), after touching $49-$51 during the day.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	2165.05p	+243.	2122.5p	+157.
3 months	2185.05p	+241.	2142.5p	+157.
6 months	2195.05p	+225.	—	......
12months	2225.05p	+208.	—	......

LME—Turnover 364 lots of 10,000 ozs. Morning: Three months 2180, 70, 50, 40, 60, 50, 60, 65, 60. Kerb: Three months 2185, 60. Afternoon: Three months 2200, 2180, 70, 60, 50, 60, 55, 45. Kerb: Three months 2120, 15, 2100, 20.

COCOA

A little steadier at the opening futures wallowed within a £10 range and closing levels were identical to those of Thursday evening. The physical market still awaits inspiration and currently fails to appeal to either consumers or producers, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1461-62	+4.0	1467-57
May	1450-51	—2.0	1460-48
July	1458-59	—1.0	1469-56
Sep	1475-74	—2.0	1486-70
Dec	1500-08	—4.5	1513-00
March	1520-26	—7.0	—
May	1541-45	—9.5	—

Sales: 1,776 (1,277) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 17: 144.18 (143.62); indicator price Jan. 18: 15-day average 143.38 (143.58); 22-day average 144.35 (144.37).

COFFEE

Robustas opened easier in thin volume and mixed dealing, reported Drexel Burnham Lambert. However during a disappointing morning session prices gradually recovered slight losses but generally consolidated in a tight trading range in the afternoon. Good commission house selling was always well absorbed by scale down trade buying and local profit taking and towards the close the market rallied from the lows of the day to within £5 of the daily highs.

COFFEE	Yesterdays Close (£ per tonne)	+ or —	Business Done
January	1520-30	+4.5	1531-10
March	1540-49	—5.5	1553-31
May	1565-68	—1.0	1573-51
July	1575-85	—20.0	1596-75
Sept	1587-90	—14.5	1600-80
Nov	1565-75	—24.5	—
January	1565-00	—7.5	—

Sales: 5,199 (3,560) lots of 5 tonnes.

ICS Indicator prices for Jan. 17 (cents per pound). Other Mild Arabicas 169.00 (170). Robusta ICA 1976 184.00. (183.00). ICA 1968 184.25 (183.25). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 184.58 (184.42).

GRAINS

HGCA—Locational ex-farm spot prices. Feed barley: E. Midlands 91.90, N. East 92.40, Scotland 89.60. The UK Monetary Coefficient for the week beginning Monday January 21 will decrease to 1.066.

IMPORTED—Wheat: U.S. Dark Northern Spring No 2 14 per cent Jan. 97.75, Feb. 101.00, March 102.00 transhipment east coast. U.S. Hard Winter 13½ per cent Feb. 94.75, March 95.75 transhipment east coast. Maize: French Jan. 116.00, Feb. 117.00, quoted east coast. Barley: English Feed fob Jan. 98.50, Jan./March 100.50, April/June 105.50. Rest unquoted.

LONDON GRAIN FUTURES—Old crops opened 50 up on wheat and 60 up on barley. Good buying interest increased values to trade 75p higher, some selling pressure eased the market back slightly. The market continued to fall after lunch but commercial and shipper buying stretched values again to close 50-70p higher on wheat and 40-50 up on barley. New crops saw little trade and closed unchanged to 15p up on wheat and 5p higher on barley, reported Acli.

M'nth	WHEAT Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Jan	96.90	+0.70	95.80	+0.50
Mar	99.90	+0.50	96.80	+0.40
May	104.25	+0.50	100.90	+0.40
Sept	97.85	+0.15	94.05	+0.05
Nov	100.75		97.55	+0.05

Business done—Wheat: Jan. 96.90-96.75, March 100.15-99.65, May 104.50-103.95, Sept. 97.35-97.25, Nov. 101.00-100.75. Sales: 214 lots of 100 tonnes. Barley: Jan. 94.05-93.75, March 97.15-96.60, May 101.30-100.60, Sept. 94.25-94.15, Nov. 97.55-97.55. Sales: 238 lots of 100 tonnes.

RUBBER

The London physical market opened higher with strong buying interest throughout the day, closing fully steady. Lewis and Peat reported a Malaysian godown price of 342 (334) cents a kg (buyer, February).

Sales: 1,201 (1,016) at 15 tonnes: 44 (81) at 5 tonnes.

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Feb.	80.10-80.90	74.70-74.85	80.00-87.00
Mar	80.80-81.80	76.30-76.70	81.00-78.50
Apr.-Jne	82.20-82.40	78.50-78.70	82.85-78.00
Jly.-Sept	83.80-84.00	80.40-80.50	84.70-78.90
Oct-Dec	85.30-85.40	81.50-81.80	86.50-82.70
Jan-Mar	87.00-87.10	82.65-82.95	88.00-84.00
Apr-Jne	88.40-88.60	84.10-84.50	87.30-85.50
Jly.-Sept	89.70-80.50	85.55-85.60	88.35-87.05
Oct-Dec	90.80-93.90	86.80-87.50	—

Physical closing prices (buyer) were: Spot 80.00p (74.50p). Feb. 76.75p (73.00p). March 77.75p (74.00p).

AMERICAN MARKETS

NEW YORK, January 18.

SILVER PRICES continued their limit up move on a total lack of selling. Gold rpices advanced the full limit but backed off from their best levels on profit taking. Copper prices advanced sharply on generalb uying but did not stay at their new expanded limits. The livestock complex closed mixed. Secretary Bergland's statement that 1980 acreage diversion programme was unlikely had a negative effect on grains and soyabeans with all markets finishing lower. Anticipation of a new sales programme by Brazil lead to bear spreading in the coffee market. Commisson house selling in cocoa was responsible for the good selloff. Late selling and profit taking in the cotton market produced a mixed close. Commission house buying led to new highs in sugar but profit taking trimmed the final gains, reported Heinold.

Potatoes (round whites)—March 61.0 (60.6), April 68.1-68.3 (67.4), May 77.5-77.8, Nov. —. Sales: 722.

Tin—795.00-805.00 asked (785.00-789.00).

¶Silver—Jan. 4650.0-4700 (4870.0), Feb. 4000.0 (3900.0), March 4050.0, May 4100.0, July 4140.0, Sept. 4180.0, Dec. 4237.0, Jan. 4256.5, March 4293.5, May 4330.5, July 4367.5, Sept. 4404.5. Sales: 18,500. Handy and Harman bullion spot 4760.00 (4500.00).

Copper—Jan. 126.00 (119.90), Feb. 128.10 (120.60), March 128.70-128.90, May 130.40-130.80, July 132.30-132.50, Sept. 133.50, Dec. 134.00, Jan. 135.00, March 135.90, May 136.80, July 137.70, Sept. 138.60. Sales: 13,500.

CHICAGO, January 18

Lard—Chicago loose 21.00 (same). New York prime steam unavailable.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

‡Soyabeans—Jan. 655 (661¼), March 671-670 (677), May 692-691½, July 710-711, August 719½, Sept. 723, Nov. 733½-733, Jan. 750½.

‖Soyabean Meal—Jan. 186.50 (192.50), March 189.00-190.00 (192.50), May 192.50-192.00, July 196.00-196.50, August 197.00-197.50, Sept 200.00, Oct. 201.50, Dec. 205.00-203.50, Jan. 204.50, March 207.00-208.00.

Soyabean Oil—Jan 23.50-24.50 (23.55), March 24.00-23.95 (23.98), May 24.40-24.45, July 24.75, August 25.00-25.05, Sept. 25.25, Oct. 25.55-25.50, Dec. 25.90, Jan. 25.90, March 26.25.

‡Wheat—March 452-450½ (453¼), May 458½-459½ (462½), July 466-467, Sept. 479½, Dec. 495½-496, March 512.

WINNIPEG, Jan. 18.

§Barley—March 118.70 (120.00), May 118.70 (120.30), July 116.80, Oct. 111.60.

Live Cattle—Jan. 64.50 (64.92), Feb. 64.25-63.90 (64.92), April 67.90-67.80, June 70.40-70.60, Aug. 70.50-70.30, Oct. 69.40-68.75, Dec. 70.20, Jan. —, Feb. —.

Live Hogs—Feb. 40.40-40.50, April 39.7-39.55, June 43.10-43.00, July 43.75-43.80, Aug. 42.80, Oct. 41.70, Dec. 44.00, Feb. 46.15, April 46.00.

‡‡Maize—March 273½-273 (276¾), May 286½-286 (289¼), July 294¾-294½, Sept. 301½-301¼, Dec. 308-307½, March 319½-319.

Pork Bellies—Feb 41.85-42.00 (41.67), March 42.70-42.85 (42.67), May 44.30-44.10, July 45.82-45.95, Aug. 45.50, Feb. 52.20, March —, May —, July —, Aug —.

Silver—Jan. 4725.0 (4870.0), Feb. 4025.0 (3905.0), March 4057.0, April 4092.0, June 4139.0, Aug. 4183.0, Oct. 4230.0, Dec 4275.0, Feb. 4315.0, April 4360.0, June 4405.0, Aug. 4450.0, Oct. 4495.0, Dec. 4540.0, Feb. 4585.0, April 4637.2, June 4676.9, Aug. 4716.5.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 241.60 (242.30).

INDICES

FINANCIAL TIMES

Jan. 17	Jan 16	M'nth ago	Year ago
297.80	295.24	298.57	258.83

(Base: July 1, 1952=100)

MOODY'S

Jan. 16	Jan. 15	M'nth ago	Year ago
1494.2	1457.5	1250.8	992.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 16	Jan. 15	Month ago	Year ago
Spot	421.34	420.62	421.21	375.16
F'tur's	429.94	427.84	429.70	369.62

(Average 1924-25-26=100)

REUTERS

Jan. 18	Jan. 17	M'nth ago	Year ago
1739.9	1716.7	1704.2	1499.6

(Base: September 18, 1931=100)

SOYABEAN MEAL

The London market opened with gains of £1.50-£2.00 on nervous short covering due to the Middle East situation, reported T. G. Roddick. At the higher levels trade selling emerged and with lack of follow through prices drifted at the close to show small gains on the day.

	Yest'rd'y Close (£ per tonne)	+ or —	Business Done
February	125.00-26.0	+1.06	125.00-24.50
April	119.10-19.5	+0.60	121.00-18.50
June	116.80-17.4	+0.60	119.20-17.80
August	118.50-18.7	+0.85	120.00-18.70
October	118.20-17.4	+0.55	—
December	118.00-19.5	+0.50	—
February	122.00-22.2	+0.86	122.20-22.00

Sales: 140 (43) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £192.00 (£187.00) a tonne cif for Jan.-Feb.-March shipment. White sugar daily price was £196.00 (£195.00).

Renewed commission house buying absorbed substantial long liquidation at the opening and prices began to move ahead. The move peaked mid-afternoon when March touched £199.00 with May at £200.75 after which keen profit taking eroded all the gains by the close, reported C. Czarnikow.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £256.50 (£263.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 17 Daily price 17.67 (17.08): 15-day average 15.59 (15.48).

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	197.85-97.95	191.80-82.00	190.00-92.00
May	190.30-90.40	193.80-94.00	200.75-94.00
Aug	200.15-00.20	194.75-94.80	202.00-94.75
Oct	199.55-99.90	194.20-94.30	201.00-95.00

Sales: 8,042 lots of 50 tonnes.

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). April 195.00, 203.00, 202.00-198.00, 26; July 205.00, 208.00, 205.00-204.00, 10; Sept. 206.00, 211.00, 206.00, 2; Nov. 206.00, 213.00, nil, nil; Feb. 208.00, 218.00, nil, nil; April 208.00, 218.00, nil, nil; July 208.00, 225.00, nil, nil. Sales 38.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). May 198.00, 198.50; Aug. 199.00, 199.50; Oct. 198.25, 198.50; Jan. 196.75, 198.00; March 199.00, 199.50; May 198.75, 199.50. Sales 2,324 (1,364)

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on Jan. 18: GB—Cattle 79.42p per kglw (+0.66). UK—Sheep 135.7p per kgestdcw (+3.6). GB—Pigs 69.4p per kglw (+6.5).

BRITISH FUNDS (722)

COMMONWEALTH GOVTS. (8)

FOREIGN STOCKS (31)

STERLING FOREIGN CURRENCY BONDS

FOREIGN CORPS (2)

BANKS (190)

BREWERIES (106)

INTL. BANK (1)

CORPORATIONS (24)

PUBLIC BOARDS (11)

COMMERCIAL (2,357)

Hertfordshire CC 5¾pc 96 (16/1). 5½pc 69½ (15/1)
Islington Corp. 13½pc 96 (15/1). 13¼pc 98⅝. 14pc 97½ (15/1)
Kent County 9¼pc 95⊕
Lanarkshire 93½ (16/1)
Liverpool 13pc 98¾ (15/1). 13½pc 97½⊕
Liverpool Corp. 9¾pc 83¾
Middlesex CC 5¼pc 97⅞ (11/1)
Plymouth 3¼pc 76¼ (16/1)
Portsmouth 3½pc 80¼ (15/1)
Southwark 15pc 98¾

Burtonwood (Forshaws) (25p) 250 (11/1)
City of London Brewery 20pcPfd. 130. Dfd. (25p) 65⊕ 3⊕ 4 3½
Clark (Matthew) (25p) 154 (14/1)
Courage 7.1pcLn. 54¾. 10½pcLn. 75 4½ (15/1)
Davenports' (25p) 144⊕ 55 50 4
Devenish (J. A.) (25p) 209 (11/1)
Distillers (50p) 213⊕ 12 11 13. 5½pc Ln. 39 (16/1). 7¼pcLn. 58¾⊕. 10.5pc Ln. 78⊕ ¼⊕

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	35	—	48	6	—	—	356p
BP	350	12	35	34	4	—	—	"
BP	360	—	—	—	—	44	2	"
BP	375	1	—	24	3	—	—	"
BP	390	—	—	—	—	35	30	"
BP	400	½	2	15	5	—	—	"
Com. Union	130	17	—	24	—	28	5	146p
Com. Union	140	7	5	15	37	21	2	"
Com. Union	160	½	—	5	10	13	—	"
Cons. Gold	330	150	1	163	9	177	—	480p
Cons. Gold	360	120	4	134	6	157	2	"
Cons. Gold	390	90	10	109	12	129	40	"
Cons. Gold	420	60	11	86	6	108	—	"
Cons. Gold	460	20	178	60	100	85	1	"
Cons. Gold	500	—	—	40	195	63	—	"
Courtaulds	100	¼	10	—	—	—	—	78p
GEC	330	32	—	55	1	71	—	359p
GEC	360	5	3	35	31	51	—	"
GEC	390	½	—	20	—	36	10	"
Grand Met.	128	16	4	—	—	—	—	147p
Grand Met.	138	6	20	—	—	—	—	"
Grand Met.	160	—	—	6	10	11	36	"
ICI	300	84	—	89	9	—	—	385p
ICI	360	24	—	36	15	50	—	"
ICI	390	1½	92	19	142	30	—	"
ICI	420	—	25	—	—	—	—	"
Land Secs.	240	47	1	60	—	—	—	286p
Land Secs.	260	27	26	44	—	50	1	"
Land Secs.	280	7	43	26	12	37	6	"
Land Secs.	300	1½	164	15	40	25	—	"
Land Secs.	330	½	—	8	29	14	—	"
Marks & Sp.	80	14	—	20	—	21	2	93p
Marks & Sp.	90	4	17	12	18	14	6	"
Marks & Sp.	100	¼	—	7	22	9	1	"
Marks & Sp.	110	¼	—	4	12	5½	7	"
Shell	325	11	6	—	—	—	—	333p
Shell	330	—	—	30	10	41	—	"
Shell	350	1	10	—	—	—	—	"
Shell	360	—	—	18	7	24	—	"
Shell	390	—	—	8	10	14	20	"
Shell	400	½	1	—	—	—	—	"
Totals			668		762		171	
		February		May		August		
Boots	160	30	—	39	2	41	—	187p
Boots	180	12	8	22	16	30	—	"
Boots	200	3	10	12	—	—	—	"
EMI	130	8	12	10	—	—	—	134p
Imperial Gp.	80	2½	15	5½	66	7	—	81p
Imperial Gp.	90	1	—	1¼	15	—	9	"
Racal Elec.	180	23	—	44	—	51	3	203p
Racal Elec.	200	15	30	30	12	38	—	"
Racal Elec.	220	7	25	21	11	28	—	"
RTZ	330	68	17	86	1	101	—	391p
RTZ	360	43	22	59	9	77	—	"
RTZ	390	23	113	40	7	58	—	"
Totals			252		139		12	

CONTRACTS

£8m coal plant

MITCHELL COTTS PROJECTS S.A. (PTY) has been given a letter of intent by General Mining and Finance Corporation for the project management, engineering and construction of a coal preparation plant at Trans-Natal Coal Corporation's Hlobane Colliery. This plant is scheduled for completion during 1981 at a cost of £8m.

★

Citibank has awarded a contract worth $5m (£2.2m) to **PERKIN ELMER**, for 50 model 3220 "Supermini" computers for installation in each of their branches throughout the Middle East and North Africa. The model 3220s will be replacing NCR 8200s for which many programs have already been developed for both batch and real-time data processing. Once installed, the "Superminis" will handle all branch banking activities on a day-to-day basis, and in addition, will be connected on-line directly into Citibank's already established world-wide message switching network.

★

GOULD INSTRUMENTS division has won an order worth £920,000 for the supply of an electronic control system for a microprocessor-controlled price-computing weighing machine. The order is from Herbert and Sons, Haverhill, Suffolk, who are using the system in the Lion 2000 weighing machine.

A—B

Brockhouse (25p) 34½ 3½ (15/1)
Brocks Grp. Companies (10p) 89⊕ 6
Broken Hill Prop. ($A2) 665⊕ 75⊕ 67⊕ 5 75. New 540⊕
Bronx Eng. Holdings (10p) 27 6
Brook Street Bureau Mayfair (10p) 65⊕
Brooke Bond (25p) 49⊕ 50 49¼ 50½. 5¼pcDb. 67¼ (14/1). 5¼pcLn. 36½ (15/1). 7pcLn. 50¼ 1 (14/1). 7¼pcLn. 52½ (10/1)
Brooke Tool (25p) 44⊕
Brotherhood (50p) 58 (14/1)
Brown Jackson (20p) 204 (14/1)
Brown Tawse (25p) 120 (14/1)
Brown Boveri Kent (25p) 43½⊕ 3 ½
Brown Bros. (10p) 26½
Brown (J.) (25p) 62⊕ 6⊕ 4
Browning-Ferris p745 (15/1)
Brownlee (25p) 85 (11/1)
Bryant 55⊕
Bulgin A (5p) 27
Bullough (20p) 177
Bulmer Lumb (20p) 39⊕
Bunzl Pulp (25p) 105⊕
Burco Dean (25p) 54
Burgess A (25p) 40
Burndene Inv. (5p) 15 (14/1)
Burnett Hallamshire (25p) 528⊕
Burrell (5p) 7¼⊕ ¾
Burroughs ($US5) 37⅛ (15/1)
Burroughs Machines 5½pcLn. 93⊕ 86
Burton (50p) 274 267 (15/1). Do. A NV 238⊕. War. to sub. 81 78 (14/1). 7pcLn. 74 (14/1)
Butterfield Harvey (25p) 40½

C—D

CH Inds. (10p) 23 (11/1)
Cadbury Schweppes (25p) 60½⊕ 1 60½ 60. 9pcLn. 66 (11/1)
Caffyns (50p) 135 (15/1)
Caird (25p) 16⊕
Cakebread Robey A (10p) 31½⊕
Camford (10p) 56 (15/1)
Campari (20p) 87
Camrex (20p) 38
Canning (25p) 48 (14/1)
Cape Inds. (25p) 234 (15/1)
Capper-Neill (10p) 63⊕
Capseals (5p) 39⊕
Caravans Inter. (20p) 55⊕
Cardo Engineering (25p) 100. 10½pcPf. 91⊕. 10pcPf. 102 3
Carless Capel Leonard (10p) 79
Carlton Inds. (25p) 282
Carpets Inter. (50p) 31½ 30⊕ ½ 1¼ 29
Carr (25p) 51 (15/1)
Carrington Viyella (25p) 18½⊕ ½ 17. 8pcPf. 49 (14/1)
Carr's Milling (25p) 85⊕
Cartwright (10p) 77 (15/1)
Castings (10p) 39 (14/1)
Cattle's (10p) 27 ¼ 8 (15/1)

Stock Exchange dealings

Thursday, January 17	26,215
Wednesday, January 16	27,000
Tuesday, January 15	25,427
Monday, January 14	26,103
Friday, January 11	24,058
Thursday, January 10	19,399

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days: these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Causton (25p) 30½⊕
Cavenham 6½pc1stPf. 41. 10pc1stPf. 88 (14/1). 9¼pcUnsec.Ln. 66¼ (11/1). 10pcLn. 69¾ (14/1)
Cawdaw Indust. Hldgs. (25p) 29 8 (11/1)
Cawoods Hldgs. (25p) 156⊕
Celestion Industs. (20p) 18½ (15/1)
Celtic Haven (5p) 9⊕
Cement-Roadstone Hldgs. (25p) 83 4
Central Sherwood (5p) 26½ 7. 10pcUnsec. Ln 89 (16/1)
Central Mfg. Trading Group (10p) 58½ 9 (14/1)
Centreway (50p) 169 70 (15/1). 11pcPf. 95½ (14/1)

E—F

G—H

Gill Dallas (25p) 127⊕ 32 29
Gillette £11¼
Glasgow Pavilion (10p) 37 (14/1)
Glaxo Grp. 6¾pcUnsecd.Ln. (50p) 25½ (11/1). 7¾pcUnsecd.Ln. 30 (16/1)
Glaxo Holdings (50p) 470⊕ 20 570 80 65⊕ 74⊕ 68 70 2 65 73. 7½pcLn. 98½
Glynwed (25p) 87⊕ 9½. 10½pcUnsecd. Ln. 77. 5pcUnsecd.Ln. 62 (15/1)
Gnome Photo. Prods. (10p) 73 4 65 (15/1)
Goldberg (A.) (25p) 62
Goldman (H.) (10p) 13 (14/1)
Gomme Hldgs. (25p) 43⊕
Goodkind (W.) (10p) 29 30 (11/1). New (10p) 36½ ⅜ (14/1)

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (19)

INSURANCE (161)

INVESTMENT TRUSTS (246)

FINANCIAL TRUSTS (117)

Dawes (G. R.) Hldgs. (25p) 9⊕
Electra Invest. (25p) 125⊕ ½⊕ 5
Ex-Lands (10p) 11 (14/1)
Exploration (5p) 44
FC Finance (25p) 67 (15/1). 7pcPf. (50p) 40 (15/1)
First National Finance (10p) 12¾⊕ 16¼⊕ 15¾ ¼ 15 ½. Warrants 3¼. 9½pcLn. 1992-97 70⊕ 69½ 9. 9½pcLn. 91 (16/1)
Gresham Invest. (25p) 65 (15/1)
Grimshawe Hldgs. (20p) 71 (15/1)
Hambro Trust (25p) 45 (14/1)
Hampton Trust (5p) 17⊕ ½⊕ 18⊕
Inchcape 335⊕ 8⊕ 40⊕ 40 38 7. 8½pcPf. 69½⊕ ½⊕. 12½pcLn. 86½ (15/1)

Oil and Associated Investment Trust (25p) 74 (16/1). 5¼pcCnv.Ln. 1988-93 38 (15/1)
Pentland Invest. Trust (25p) 105½ (15/1)
Progressive Securities Invest. Trust (50p) 55
Raeburn Invest. Trust (25p) 111 (15/1)
Rights and Issues Invest. Trust (25p) 28 (14/1). Capital (25p) 31 (14/1)
River and Mercantile Trust (25p) 179 (16/1)
Robeco (Rotterdamsch Bel. NV) (Br. fl.50) 39 30. Sub. Sh. (fl.5) 390 (15/1)
Rolinco (fl.50) 13½ (14/1). Ord. Sub-Shs. (fl.5) 337 5
Romney Trust (25p) 81 (14/1)
Rosedimond Invest. Trust (25p) 32⊕

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Lonrho	25p	14	109	+ 4	109	62
ICI	£1	11	379	+ 3	415	314
RTZ	25p	11	392	+25	392	226
Cons. Gold Fields	25p	10	478	+10	482	178
Racal Electronics	25p	10	203	—	276	168½
Western Mining	$A0.50	10	231	+14	231	121
European Ferries	25p	9	101	+ 2½	133	92
GUS "A"	25p	9	404	+14	448	288
Marks & Spencer	25p	9	92	+ 4	134	78
Premier Cons.	5p	9	54	+ 2	54	13½
BP "New"	25p	8	150	+ 5	182	128
De Beers Defd.	R0.05	8	490	+10	500	332
House of Fraser	25p	8	141	+ 7	167	104
Rustenburg Plat.	R0.10	8	326	+20	326	94
Selection Trust	25p	8	670	+30	684	442

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
Cons. Gold Fields	25p	75	478	+42	482	178
ICI	£1	56	379	+13	415	314
Lonrho	25p	56	109	+23	109	62
De Beers Defd.	R0.05	54	490	+61	500	332
Libanon	R1	49	£10½	+ 1	£10½	414
RTZ	25p	49	392	+37	392	226
Rustenburg Plat.	R0.10	49	326	+70	326	94
BP	25p	48	354	+24	406	220½
Racal Electronics	25p	47	203	− 4	276	168½
LASMO	25p	45	380	—	398	124
GEC	25p	44	357	+10	456	311
Shell Transport	25p	43	332	+12	403	278
Imp. Cont. Gas	£1	42	685	+63	685	358
Harmony Gold	R0.50	41	877	+113	929	265
Marks & Spencer	25p	41	92	+ 5	134	76

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual Interest gross interest	payable	Minimum sum	Life of bond
	%		£	Year
Barnsley (0226 203232)	14⅝	½-year	1,000	2
Knowsley (051-548 6555)	14½	½-year	1,000	1
Redbridge (01-478 3020)	14¼	½-year	200	2-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.76	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 years, 19.00 4 years
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.35 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.35	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.85 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 1.25 3 mth., min. £1,000
Nationwide	10.20	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yr., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

CURRENCIES, MONEY AND GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0967 per cent at yesterday's tender to 15.7439 per cent, and the minimum accepted bid rose to £96.05½ from £96.05. Bids at that level were met as to about 1 per cent and above in full. The £300m bills on offer attracted bids of £917.555m, and all bills offered were allotted. Next week a further £300m will be on offer.

Day-to-day credit remained in short supply in the money market, and the authorities gave assistance on a large scale. This comprised small purchases of Treasury bills and corporation bills, all direct from the discount houses, some of each being for resale at a future date, and a small amount of eligible bank bills, all of which are for resale at a future date. In addition they lent a small amount to six or seven houses at MLR for repayment on Monday. The market was faced with a moderate net take up of Treasury bills and a small excess of revenue transfers over Government disbursements.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Sterling rose against most currencies in generally featureless trading, while the dollar showed little overall change. The pound opened at $2.2725, which was its lowest level for the day, but rose to $2.2825 quite quickly before fluctuating between $2.2750 and $2.2825 for much of the day. Trading was described as thin and patchy for the most part, and during the afternoon sterling touched a high point of $2.2875-$2.2885 before coming back slightly to close a $2.2850-2.2860, a rise of 85 points. Its overall improvement was reflected in the Bank of England's calcuation of its trade weighted index, and this showed a rise to 71.9 from 71.6.

The dollar showed no real trend for most of the day, but eased slightly during the afternoon until the last half hour or so, when news of a ½ point rise in the prime rate of First National Bank of Chicago to 15¾ per cent may have helped sentiment a little.

Gold continued to rise in the London bullion market yesterday, and broke the $800 barrier for the first time ever, to finish at $830-840, a rise of $75 an ounce.

THE POUND SPOT AND FORWARD

Jan. 18	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2725-2.2885	2.2850-2.2860	0.72-0.62c pm	3.52	1.78-1.68 pm	3.03
Canada	2.6350-2.6580	2.6535-2.6545	1.10-1.00c pm	4.75	2.45-2.35 pm	3.62
Nethlnd.	4.31½-4.35½	4.33¾-4.34¾	2¼-1¾c pm	6.22	6¾-5¾ pm	5.30
Belgium	63.55-64.00	63.85-63.95	20-10c pm	2.82	42-32 pm	2.32
Denmark	12.25-12.31½	12.30-12.31	1¾ore pm-¼ dis	0.73	¾-2¾ dis	−0.57
Ireland	1.0600-1.0640	1.0605-1.0615	0.02-0.12p dis	−0.79	0.20-0.30dis	−0.94
W. Ger.	3.91-3.95	3.93½-3.94½	3⅞-2⅞pf pm	10.28	8⅞-7⅞ pm	8.50
Portugal	112.90-114.10	113.75-114.00	10-60c dis	−3.69	20-120 dis	−2.46
Spain	150.10-151.05	150.90-151.00	par-50c dis	−1.99	40-140 dis	−2.38
Italy	1,827-1,840	1,838½-1,839½	5½-7½lire dis	−4.24	18¼-20¾ dis	−4.19
Norway	11.14-11.23	11.21½-11.22½	7-5ore pm	6.42	15¼-13¼ pm	5.08
France	9.17-9.23½	9.22-9.23	5-4c pm	5.85	9¾-8¾ pm	4.01
Sweden	9.41-9.48	9.46½-9.47½	3½-1½ore pm	3.17	8½-6½ pm	3.17
Japan	542-550	546½-547½	5.15-4.85y pm	10.97	12.20-11.85pm	8.79
Austria	28.10-28.30	28.25-28.30	25-15gro pm	8.49	58-48 pm	7.50
Switz.	3.61-3.65	3.63½-3.64½	4¼-3⅞c pm	12.77	10⅞-8⅞ pm	11.40

Belgian rate is for convertible francs. Financial franc 65.95-66.00. Six-month forward dollar 2.35-2.25c pm, 12-month 3.90-3.70c pm.

GOLD

	January 18		January 17	
Gold Bullion (fine ounce)				
Close	$830-840	(£362¾-367¾)	$755-765	(£331½-336½)
Opening	$800-880	(£351-355)	$730-737	(£322-325)
Morning fixing	$825.50	(£361.823)	$728.25	(£322.591)
Afternoon fixing	$835	(£365.347)	$750	(£329.815)
Gold Coins				
Krugerrand	$834-844	(£365-370)	$764-772	(£335½-340½)
Mapleleaf	$834-844	(£365-370)	$766-775	(£336-341)
New Sovereigns	$205-210	(£89-92)	$195-197	(£85½-86½)
King Sovs	$210-215	(£92-95)	$205-210	(£90-93)
Victoria Sovs.	$210-215	(£92-95)	$205-210	(£90-93)
Fr 20 Napoleon	—	—	FFr790-805	(SFr270-290)
50 pesos Mexico	$1010-1025		$941-951	
100 Cor. Austria	$820-830		$735-745	
$20 Eagles	$850-870		$800-820	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Jan. 18	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.286	3.940	547.0	9.225	3.640	4.345	1839.	2.654	63.90
U.S. Dollar	0.438	1.	1.724	239.3	4.036	1.593	1.900	804.6	1.161	27.96
Deutschemark	0.254	0.580	1.	138.8	2.341	0.924	1.102	466.8	0.674	16.22
Japanese Yen 1,000	1.828	4.178	7.203	1000.	16.86	6.654	7.939	3362.	4.852	116.8
French Franc 10	1.084	2.478	4.271	593.0	10.	3.946	4.707	1993.	2.877	69.27
Swiss Franc	0.275	0.628	1.082	150.3	2.534	1.	1.193	505.2	0.729	17.55
Dutch Guilder	0.230	0.526	0.907	126.0	2.124	0.838	1.	423.5	0.611	14.72
Italian Lira 1,000	0.544	1.243	2.142	297.4	5.016	1.979	2.361	1000.	1.443	34.75
Canadian Dollar	0.377	0.861	1.485	206.1	3.476	1.372	1.636	692.9	1.	24.08
Belgian Franc 100	1.565	3.577	6.166	856.0	14.44	5.696	6.795	2878.	4.153	100.

LONDON MONEY RATES

Jan 18 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	17-25	—	—	—	17¾-18	16½-17	—	—	—
2 days notice	—	—	17⅞-18	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	18-18¼	17¾-18	—	18	18	16¾-16⅞	—	—	—
One month	17¾-17⅝	17½-17⅝	17¼-17⅝	18¼-18	18	17⅞-17 13/16	16½-16⅝	15 9/16-15⅝	17 1/16-17 1/16	17½
Two months	17⅝-17¼	17¼-17⅜	—	17¾-17½	17¾	—	16½	15 11/16	16⅞-17	17¼
Three months	17 1/16-16 15/16	17 1/16-17 3/16	17-17⅛	17½-17	17½	17½-17⅝	16¼-15⅞	15¾	15⅝-16½	17
Six months	16-15⅞	16 1/16-16 3/16	16-16¼	15⅞-15⅝	16½	—	—	—	16⅛-15¼	15⅞
Nine months	15 3/16-15 1/16	15⅜-15½	—	15⅝-15⅛	15¾	—	—	—	—	—
One year	14 15/16-14¾	14 15/16-15 1/16	15¼-15½	15⅛-14¾	15½	—	—	—	—	—
Two years	—	—	15⅝	—	—	—	—	—	—	—

Local authorities and financial houses seven days' notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 15⅞-15½ per cent; four years 15-15⅞ per cent; five years 14⅞-15⅞ per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞-16⅞ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15½ per cent; two-months 15 25/32-15⅝ per cent; three-months 15 21/32 per cent. Approximate rates for one-month bills 17 1/16-17 1/16 per cent; two-months 16¾-16⅞ per cent; three-months 16⅝-16 9/32 per cent; one-month trade bills 17⅝ per cent; two-months 17 per cent and three-months 16¾ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.7439 per cent.

CURRENCY MOVEMENTS

Jan. 18	Bank of England Index	Morgan Guaranty changes %
Sterling	71.9	−34.8
U.S. dollar	84.7	−8.5
Canadian dollar	81.3	−16.7
Austrian schilling	158.0	+24.0
Belgian franc	115.5	+13.8
Danish kroner	109.0	−2.7
Deutsche mark	158.5	+46.5
Swiss franc	203.8	+82.1
Guilder	126.5	+20.5
French franc	102.6	−5.4
Lira	55.0	−49.8
Yen	117.4	+16.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 14.05-14.15 per cent; three months 14.05-14.15 per cent; six months 14.00-14.10 per cent; one year 13.20-13.30 per cent.

Jan. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	19-19¼	13⅝-13⅞	12½-13½	10⅞-11⅛	2½-2¾	8¼-8⅜	11¾-12	20-25	—	3 1/16-7⅞
7 days' notice	18-18¼	13¾-14	12½-13½	10⅞-11⅛	2⅝-2⅞	8¼-8⅝	11⅞-12⅛	20-22¼	13¾-13⅞	5⅝-6⅝
Month	17⅛-17¾	14¾-15	13 7/16-13 11/16	11⅛-11⅜	5½-5⅝	8 1/16-8 7/16	12⅛-12⅜	20½-22¼	14¾-14⅞	6⅝-7 1/16
three months	16 15/16-17 1/16	14⅛-14⅝	13½-13⅞	11⅛-11⅜	5½-5⅝	8 5/16-8 7/16	12⅞-13⅛	20¼-21¼	14 1/16-14 3/16	7¾-8⅛
six months	16⅛-16⅜	14 1/16-14 3/16	13 3/16-13 11/16	11⅛-11⅜	5⅝-5¾	8⅝-8½	13⅛-13⅜	19½-20½	14 1/16-14 3/16	8⅛-8⅜
one year	15-15¼	13 15/16-13 5/16	12 13/16-12 15/16	10¾-11	5⅝-5¾	8¼-8⅜	13⅛-13¾	19½-20½	13 1/16-13 3/16	7⅞-8⅜

Long-term Eurodollar two years 12-12⅞ per cent; three years 11⅞-12⅞ per cent; four years 11¾-12 per cent; five years 11¾-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4706	+1.71	+1.44	±1.53
Danish Krone	7.72336	7.78552	+0.80	+0.53	±1.64
German D-Mark	2.48208	2.49183	+0.39	+0.12	±1.125
French Franc	5.84700	5.83571	−0.19	−0.46	±1.3557
Dutch Guilder	2.74362	2.74635	+0.10	−0.17	±1.512
Irish Punt	0.668201	0.672894	+0.70	+0.43	±1.668
Italian Lira	1157.79	1163.71	+0.51	+0.51	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Jan. 18	£	$		£ Note Rates
Argentina Peso	3737-3757	1635-1645	Austria	28.05-28.30
Australia Dollar	2.0565-2.0585	0.9000-0.9005	Belgium	65.90-66.40
Brazil Cruzeiro	99.34-100.34	43.45-43.90	Denmark	12.26-12.34
Finland Markka	8.41-8.42	3.6875-3.6895	France	9.19-9.26
Greek Drachma	n/a	38.08-38.18	Germany	3.92½-3.96
Hong Kong Dollar	11.09½-11.11½	4.8590-4.8620	Italy	1865-1980
Iran Rial	n/a	n/a	Japan	546-561
Kuwait Dinar (KD)	0.613-0.623	0.2717-0.2718	Netherlands	4.33-4.35½
Luxembourg Frc.	63.85-63.95	27.94-27.96	Norway	11.17-11.25
Malaysia Dollar	4.9725-4.9840	2.1815-2.1825	Portugal	112-124
New Zealand Dlr.	2.3070-2.3090	1.0105-1.0115	Spain	150¼-158¼
Saudi Arab. Riyal	7.59-7.69	3.3500-3.3507	Sweden	9.44-9.49
Singapore Dollar	4.9100-4.9215	2.1525-2.1535	Switzerland	3.63-3.65
Sth. African Rand	1.8695-1.8710	0.8180-0.8185	United States	2.278-2.2286
U. A. E. Dirham	8.44-8.54	3.7300-3.7400	Yugoslavia	48½-51½

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 18/1/80

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	148.00	47.6	77-81	6.9	4.8	−12.2	−12 to −4	0.0	13.9	8.2	+20.4
British Land 12pc Cv. 2002	7.71	213.00	333.3	80-97	5.7	4.3	− 1.7	− 6 to 12	0.0	91.0	42.0	+43.7
Hanson Trust 6½pc Cv. 88-93	3.38	77.00	57.1	76-81	8.7	9.9	− 1.6	− 7 to 14	6.0	6.2	0.2	+ 1.9
Slough Estates 10pc Cv. 87-90	5.50	195.00	187.5	78-86	5.1		− 3.7	− 6 to 9	36.2	42.6	3.1	+ 6.8
Slough Estates 8pc Cv. 91-94	24.88	102.00	78.0	80-91	7.9	7.8	21.1	21 to 28	25.4	49.2	28.2	+ 7.1
Thorn Electrical 5pc Cv. 90-94	1.73	87.50	29.1	75-80	5.9	6.6	0.9	−10 to 26	0.0	2.5	2.9	+ 1.9
Ultramar 7pc net R.Cv.Pfd.	12.59	2.13	0.5	76-83	4.7		− 5.0	−11 to 3	25.2	24.6	− 0.2	+ 4.8
Wilkinson Match 10pc Cv. 84-98	11.10	77.00	40.0	76-83	13.1	13.4	23.4	18 to 41	20.1	28.2	13.0	−10.4

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

Boom revives—equity index up 24.6 on week to 459.8

Gilts unaffected by new tap stocks—Golds spectacular

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

The flow of cash into stock markets was resumed after Thursday's brief lull. The weight of institutional funds forced leading equities sharply higher, although best levels weer not always held. Government stocks took up their recent sound tone and appeared little concerned about the issue of £1.8bn new taps, while South African Golds rebounded strongly with the bullion price which surged through $800 an ounce.

Early trade in equities gave no sign of the impending strength and for a while the market was subdued. The situation changed suddenly following revived institutional demand for a host of good quality shares, which often went unsatisfied. This impinged on a market experiencing acute stock shortages and prices began to move forward quickly.

Late in the afternoon, the market became overheated and some stocks reacted fairly swiftly; others, however, retained the bulk of the earlier rises. Once again, the FT 30-share index illustrated the remarkable change in mood, showing a loss of 0.3 at 10 am and a net rise of 14.1 at 1 pm before closing with a gain of 9.0 on the day at 459.8; this represented a week's jump of 24.6 and brought the rise over the last two weeks to an impressive 45.9.

A revival of overseas investment demand encouraged domestic support for British Funds with the emphasis on longer-dated issues and quotations more than regained the previous day's falls. The announcement shortly after 3.30 pm of the two new tap stocks caused some surprise but talk centred on the longer stock which, with only £25 payable at tender, is expected to attract a good application next week.

Prospects for the shorter issue, £65 payable at tender, were considered to be not quite so bright and when dealings resumed after the usual recess the trend in the shorts was easier. Gains were finally halved to ¼, compared with rises of ½ among the longs and to ¾ in the mediums: the last-named went higher still late in the day, being the only untapped sector.

Yesterday's total of 2,004 contracts was the highest in the Traded Option market since July 25, when 3,166 were done, and this week's daily average of 1,316 was the best since last April. *Consolidated Gold Fields* dominated yesterday's proceedings, contributing 576 deals.

The major clearing banks came in for some keen support ahead of the dividend season due to start next month. **Barclays** *rose 10 to 430p, after 432p, while* **NatWest** advanced 8 to 360p, after 362p. **Midland**, however, softened 2 more to 360p following a reported denial of recent suggestions that the bank's bullion dealing subsidiary has *made a substantial profit in the* silver market. Lloyds closed unaltered at 308p, after 312p; the bank has announced it is closing eight Trust division branches with the loss of 300 jobs. Merchant banks were favoured with **Kleinwort Benson**, 137p, and **Hambros**, 312p, up 7 and 6 respectively. Still awaiting further news of the Hong Kong and Shanghai bid approach, Antony Gibbs put on 5 to 78p. Discounts closed easier in places. Union gave up 5 to 385p: the preliminary results are due on Wednesday.

Lloyds brokers returned to the limelight in Insurances, renewed speculative support leaving closing gains to 8. **Stewart Wrightson** put on that much to 200p, while **Sedgwick Forbes** rose 7 to 104p and **Hogg Robinson** added 6 to 102p. Currently in receipt of a 169p per share offer from Marsh and McLennan, **Bowring** touched 145p before closing a net 2 harder on balance at 140p.

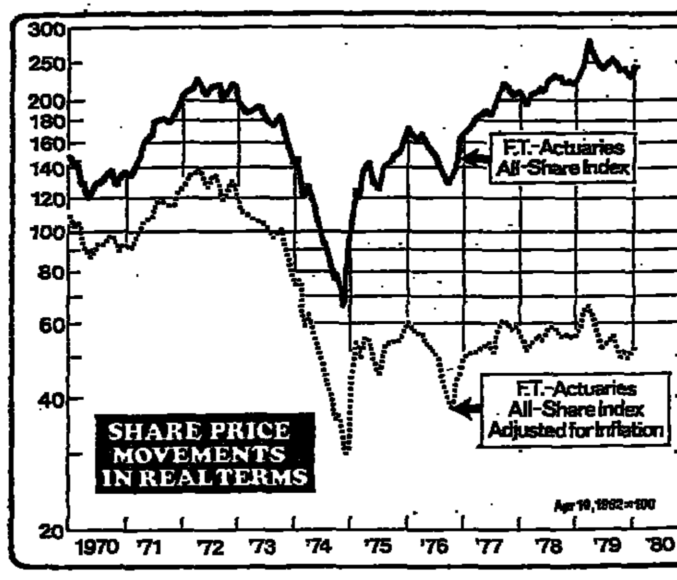
Breweries ended the day with some useful gains, rises of 5 being marked against Guinness, 194p, and Whitbread "A," 145p, in the leaders.

Building descriptions displayed widespread gains on renewed support, *but sometimes closed* below the best. In the leaders, **Tarmac** firmed 8 to 200p and **Redland** added 7 to 160p with the warrants 6 up at £52. Blue Circle maintained the day's best of 288p, up 12, while **BPB** put on 6 to 179p. Business in Timbers was virtually one-way with speculative counter **Mallinson-Denny** at *50½p, up 2½.* **Phoenix** *revived* with a gain of 5 to 135p and **James Latham** added 7 to 142p. Favourable Press comment directed attention towards **Armitage Shanks** which put on 6½ to 55p, while **Marley** improved 3 to 88p and **UBM** hardened 2 to 68p.

Keenly sought-after from the outset, **ICI** touched 386p before one or two *sellers made their* presence felt and left the close just 3 better on balance at 379p. Lack of renewed interest left **Fisons** a couple of pence cheaper at 287p. Among other Chemicals, **Coalite and Chemical** stood out with a gain of 5 at 103p. In Paints, speculative support lifted **Manders** 4 to 160p.

Leading Stores ended the week in buoyant mood with persistent demand in a market none-too-well supplied with stock. **House** *of Fraser remained the speculative favourite*, rising 7 further for a rise of 33 on the week to 141p on confirmation from Lonrho that the latter has received approaches for its near-30 per cent stake in Fraser; a price of around 300p per Fraser share has been reported. **Debenhams** jumped 7 to 81p, *after 83p, with the help of Press* comment, while **Raybeck** closed a few pence better at 80p, after 81p, after the satisfactory interim results. **Gussies A** advanced 14 more to 404p. **Burton A** put on 8 to 244p and rises of 6 and 4 respectively were seen in **Mothercare**, 216p, and **Marks and Spencer**, 92p. Secondary issues *were featured by a rise of 12 to* 102p in **Bambers** on investment demand, while **R. and J. Pullman**, at 45p, recorded a Press-inspired improvement of 4. A reappraisal of the first-half results and consideration of the Board's decision to sell its Weston Pharmaceutical chain of chemists left **Dixons Photographic** 6 better at 103p. **Bakers** *Household rose 3 afresh to 103p* ahead of Wednesday's preliminary results.

and the "A" a similar amount up 305p after news of the bid approach from Racal fell to 197p before closing unaltered at 203p. *Elsewhere in Electricals, Eurotherm*, up 17 at 300p, more than recovered the previous day's loss of 12 which followed the preliminary results. Further support



lified **Automated Security** 8 to 230p, while **Electrocomponents** *gained 6 more to 473p* and **Louis Newmark** 7 further to 227p. By way of contrast, adverse Press mention left **Ferranti** 10 lower at 460p, while **Muirhead** remained a nervous and dull market ahead of next Thursday's preliminary statement and eased 3 more to 236p. Among the leaders, **GEC** closed 8 up at 357p, after 359p.

Engineering leaders followed the general trend and closed a few pence below the best. Revived demand pushed **Vickers** up to 130p before settling at 128p, for a gain of 8. **Tubes** rose 6 to 274p and **GKN** 5 to 270p, while **John Brown** ended 2 firmer at 67p, after 68p. A noticeable increase in demand developed for selected secondary issues. **APV** firmed 10 to 183p in a restricted market along with **Wagon Industrial**, 7 to the good at 157p. Buyers showed interest in **Westland**, which gained 5 to 71p, while similar rises were marked against **Whessoe**, 83p, **Metalrax**, 55p, and **Peter Brotherhood**, 65p. Still reflecting recent Press mention, **Delta Metal** firmed 1½ *more to 63½p.*

With the notable exception of **Rowntree Mackintosh**, which held a gain of 8 at 172p, leading Foods closed below the best. **Tate and Lyle** finished 6 higher at 164p, after 166p, while *Cadbury Schweppes settled for a* rise of 1½ at 62p, after 63p. **Associated Dairies** hardened 2 to 188p, after 190p: the half-yearly results are due January 30. **Unigate** came in for support and touched 120p before settling 3 *higher on balance at 118p.*

Grand Metropolitan, at 144p, recovered nearly all of the previous day's loss of 5 following Press comment on the annual results. **Trusthouse Forte**, which reported excellent results on Wednesday, *firmed 5 to* 160p, after 163p, for a gain on the week of 17. **Ladbroke** put on 7 to 152p on speculative demand ahead of the casino licence appeal on February 27.

Miscellaneous industrial leaders made good progress with the help of technical influences but failed to hold the best levels. *Ahead of Thursday's preliminary* results, **Rank Organisation** put on 7 to 189p, after 192p, while **Pilkington** added 6 to 220p as did **Reed International**, to 191p, after 195p. **Glaxo** rose 3 to 473p, after 478p, and **Bowater** ended a like amount higher at 163p, after 169p. Elsewhere, the continuing boom in precious metal *prices attracted renewed demand* in **Johnson Matthey** which closed 13 better at 270p, while **Booker McConnell** gained 8 to 285p on speculative support. Buying in a market short of stock left **De La Rue** 20 higher at 605p, while **Brook Street Bureau** added 7½ to 67p and **Petrocon** rose 6 to 38p. **BTR** advanced 12 to 330p and **Hayes Wharf** 6 to 142p.

Pleasurama came to the fore in the Leisure sector, jumping 10 to 159p on Press suggestions of a bid from Grand Metropolitan. Elsewhere, Coral Leisure added 5 to 77p, *after 79p.*

In Motors, **Dowty** firmed 7 to 170p; the half-yearly results are due February 6. Speculative demand in a thin market lifted **Appleyard** 7 to 62p.

Among Paper/Printings, **David S. Smith** firmed 5 to 72p in response to the increased interim profits.

The prospect of cheaper money in the near future encouraged renewed demand for Properties where **Land Securities** featured the leaders with a gain of 11 to 286p. **MEPC** closed 4 up at 179p, after 181p. *Gains of 8 were common to* **Stock Conversion**, 378p, **Haslemere Estates**, 292p, and **Berkeley Hambro**, 188p. **Great Portland Estates** firmed 6 to 218p and **Hammerson A** 15 to 780p. In secondary issues, **Corn Exchange** put on 35 *for a two-day gain of* 46 to 303p in continued response to the doubled dividend and proposed *seven-for-one scrip issue.* **Property Security and Investment** responded to the results with a gain of 6 to 152p, after 154p, while **Mountview Estates** put on 5 to 104p following Press comment.

Speculation about an imminent announcement on drilling operations in the Brae field caused *fresh demand for Siebens (UK)* which touched 594p before closing 26 up at 586p. Other secondary Oils also encountered fresh buying interest; **Cambridge Petroleum** moved up 25 to 210p and **Viking** 40 to 680p, while rises of around 10 were recorded in **Gas and Oil Acreage**, 310p, **Weeks Petroleum**, 370p, and **CCP North Sea**, 250p. **Premier** were reasonably lively and closed 2 firmer at 54p. Against the trend, **Lasmo** ended 8 cheaper at 380p following the announcement that **National Carbonising**, 7 lower at 137p, had placed its 3.3m Ordinary shares in the former through the market. Among the leaders, **British Petroleum** were fairly briskly traded, but closed without alteration at 354p.

Among overseas traders, **Lonrho** advanced 4 more making a rise of 23 on the week at 109p. *Inchcape added 10 to 345p and* **Ocean Wilsons** 5 to 73p.

Reflecting the general upward *movement in equities*, Trusts made headway on a broad front. **Caledonia Investments** were outstanding at 264p, up 9, while **Atlantic Assets** improved 3 to 139p following the half-yearly figures.

Demand was forthcoming for Shippings shares, **P and O Deferred** improving 3 to 117p *and* **Ocean Transport** 4½ to 93p.

Although closing well below the best, South African Golds ended a remarkable week on a strong note.

Another record breaking rise in the bullion price—it jumped $75 more to $835, up $211.50, or 34 per cent, over the week—brought out a fresh wave of buying of Golds, prices of which raced ahead in the morning.

In the afternoon, however, the market began to move erratically with heavy profit-taking outweighing more fresh buying and prices began to turn easier.

Nevertheless, rises at the close were still sufficient to produce an advance of 21.4 in the Gold Mines index to 360.4. Over the week the index has risen 65.5, or 22.2 per cent.

At the close, heavyweights were showing gains to £2 and more with **Randfontein** £2¼ higher at £32¾.

Marginals attracted sizeable interest. **Durban Deep** and **East Rand Proprietary** were both £1¼ better at the common price of £15 while **East Daggafontein** jumped 23½ to 634p and *Marievale 30 to 184p.*

Financials, Platinums and Coppers all surged ahead in the wake of booming metal prices. In the London Financials, **RTZ** rose 25 to a 1979-80 high of 392p and **Selection Trust** 30 to 670p, after 684p. **Gold Fields** put on 10 to 478p.

Among South African Financials, "**Johnnies**" were heavily bought and closed £2½ up at a high of £31½. Platinums closed at the day's highs as the free market metal price closed over $900 an ounce. Dealings in **Lydenburg Platinum** were suspended at 180p at the company's request; it is stated that negotiations are taking place which may have a bearing on the shares and a further announcement is to be made as soon as possible.

Australians were ablaze in the after-hours' trade reflecting a resurgence of speculative buying. Features included **Mount Lyell**, 16 up at 100p, a week's gain of 36, and **Western Mining**, which advanced 14 to 231p.

FINANCIAL TIMES STOCK INDICES

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 11	A year ago
Government Secs.	68.53	68.30	68.32	68.05	67.88	66.90	67.57
Fixed Interest	68.99	68.80	68.85	68.49	68.00	67.58	68.80
Industrial	469.8	460.8	455.6	441.7	445.6	435.2	476.9
Gold Mines	360.4	339.0	356.1	337.0	330.5	294.3	154.3
Ord. Div. Yield	7.14	7.26	7.20	7.41	7.55	7.50	6.06
Earnings, Yld. % (full)	17.72	18.02	17.86	18.59	18.30	18.87	15.94
P/E Ratio (net) (*)	6.98	6.85	6.90	6.70	6.75	6.88	8.11
Total bargains	29,778	26,815	27,000	25,427	26,105	24,056	—
Equity turnover £m	—	139.97	157.05	115.87	187.61	132.07	98.51
Equity bargains total	—	19,630	20,113	17,281	19,120	16,123	10,974

10 am 460.5. 11 am 455.5. Noon 460.9. 1 pm 464.9.
2 pm 464.8. 3 pm 463.4.
Latest Index 01-246 8026.
*Nil=6.69.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (18/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (8/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 18	Jan. 17
Daily		
Gilt Edged	139.5	155.5
Industrials	141.6	144.7
Speculative	115.9	178.1
Totals	105.1	113.1
5-d'y Av'r'ge		
Gilt Edged	165.0	168.5
Industrials	157.0	158.1
Speculative	122.7	115.8
Totals	105.5	108.1

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	69	2	17	239	84	717
Corpns. Dom. and Foreign Bonds	32	4	30	106	16	208
Industrials	557	120	725	2,395	822	3,797
Financial and Prop.	278	46	174	1,193	365	932
Oils	23	6	13	115	34	61
Plantations	4	8	16	67	11	62
Mines	100	15	32	411	116	208
Others	52	52	58	265	197	348
Totals	1,115	253	1,085	4,791	1,645	5,733

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (109)

BANKS (2)
BEERS (2)
[illegible]

TRUSTS (7)
OIL AND GAS (13)
OVERSEAS TRADERS (3)
RUBBERS (3)
MINES (51)

NEW LOWS (15)

AMERICANS (2)
City Inv. — City Inv. Cm.Pref.
BANKS (2)
Algemene — Commerzbank
CHEMICALS (2)
Akzo — Hoechst
[illegible]

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 20	June 9

For rate indications see end of Share Information Service

Stocks traded in for the call included Lonrho, Premier Consolidated, Town and City, Appleyard Group, Dunbee-Combex, Smith Bros., First National Finance, CT Bowring, Western Areas, Coral Leisure, Associated Fisheries, Debenhams, Barclays Bank, Lincroft Kilgour, Ladbroke Warrants, Ultramar, Marks and Spencer, Magnet Metals, Trusthouse Forte, House of Fraser, Comfort Hotels and Lasmo. Puts were arranged in Western Areas, National Carbonising and Weeks Petroleum, while double options were transacted in Lonrho and Town and City.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Fri., Jan. 18, 1980

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

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UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Jan. 10	183.9	190.0	----	6.21

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	16.8	18.6xd	----	6.24
Gt. Winchester O'seas	19.6	21.8xd	----	2.52

Emson & Dudley Tst. Mngmt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.6	74.4	----	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	74.1	78.0	+1.0	5.08

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	26.6	28.0	----	1.0
Fixed Interest	25.0	26.4	----	12.7
Growth + Income	28.5	30.0	+0.3	7.80
Special Sits.	27.9	29.4	+0.5	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	27.1	29.1	----	2.10
Accum. Units	32.9	35.4	----	2.10
J. Finlay High Income	32.1	34.5	----	9.89
J. Finlay Euro. Fin.	23.2	24.9	----	3.58
Accum. Units	28.7	30.8	----	3.58
J. Finlay Fd. In. Tst.	30.6	32.9	----	5.37
Accum. Units	36.9	39.7	----	5.37

Prices on Jan. 16. Next dealing Jan. 23.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	53.2	56.4	----	1.30
American Turnaround	52.6	55.8	----	2.00
Capital Tst.	51.4	54.6	+0.4	4.96
(Accum. Units)	51.4	54.6	+0.4	4.96
Income Tst.	36.6	38.8	+0.4	8.45
Int. Growth Fd.	42.8	45.4	-0.4	2.22
(Accum. Units)	45.2	48.0	-0.4	2.22

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	48.3	51.4	+0.5	4.95
Do. Accum.	66.3	70.9	+0.8	4.95

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	62.1	65.4	----	4.30

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Jan. 7	96.6	101.7	----	9.81
General Jan. 7	65.5	69.0	----	6.80
Intnl. Jan. 7	42.8	45.1	----	3.63

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gen. Jan. 16	53.2	56.6	----	6.30
Acc. Uts. Jan. 16	72.7	77.3	----	6.30
Merc. Int. Jan. 16	72.5	77.1	----	5.13
Acc. Uts. Jan. 16	81.5	86.7	----	5.13
Merc. Ext. Dec. 27	254.4	265.0	----	6.30
Accm. Units Dec. 27	318.2	331.5	----	6.30

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	87.5	95.6	+1.1	4.40
Do. Accum.	106.7	116.4	+1.4	4.40
Overseas Growth	34.1	36.9	-0.2	3.30
Do. Accum.	38.1	41.2	-0.2	3.30
Capital	26.6	28.8xd	+0.3	5.33
Do. Accum.	30.7	33.2	+0.3	5.33
Income	54.0	58.2	+0.8	7.25
Do. Accum.	66.6	71.7	+1.0	7.25
North American	36.2	39.1	-0.4	2.93
Do. Accum.	39.6	42.8	-0.5	2.93
High Yield	59.1	63.7	+0.9	9.38
Do. Accum.	68.8	74.1	+1.1	9.38
Equity Exempt*	109.2	115.2	----	6.23
Do. Accum.*	112.2	118.4	----	6.23
Japan & Pacific	35.7	38.6	-0.1	1.26
Do. Accum.	36.0	39.0	-0.1	1.26

*Prices at Jan. 18. Next dealing Jan. 25.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Jan. 14	36.3	38.3	----	7.64
Exempt Dec. 31	94.2	98.2	----	6.84

MLA Unit Trust Mngmt. Ltd.

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

NOTES

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price £	+ or –	Int.	Red.
103¼	96	FFI 13pc 1981	98¼	–¼	13.23	14.85
108¼	94	Do. 14pc '83	96¼	–¼	14.54	15.27
86½	77½	ICFC 5½pc Deb. '80-82	83¾	–¼	6.72	13.90
85	69	Do. 6¼pc Db. '81-84	74	......	8.59	14.30
99	79½	Do. 10½pc Uns. Ln. '86	84½xd	+½	12.42	14.50
99	77	Do. 11pc Uns. Ln. '88	83½xd	+½	13.17	14.10
101½	80	Do. 11¾pc Uns. Ln. '90	86xd	+1	13.66	14.40
72½	54½	Do. 7¼pc A Deb. '89-92	59	......	12.55	14.60
69	51½	Do. 7¼pc A Db. '91-94	59	+½	12.86	14.50
69	64	Do. 9pc 'A' '91-94	69	......	13.68	14.80
78½	61	Do. 8⅞pc Ln. '92-97	64xd	+1	13.86	14.50
102	85	Do. 12½pc Uns. Ln. 1992	92½	+½	14.04	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
375	250	Cater Ryder £1	315	......	18.88	—	8.6	—
110	59	Clive Dis'nt 20p	80	......	5.33	—	9.5	—
224	121	Com'l Aus. ($A1)	137	–3	Q18c	3.0	6.7	4.9
*£17	875	Com'zbk DM 10	875xr	–5	Q26.69%	—	7.9	—
£18½	900	C'hgn. Hbk. Kr100	975	......	Q12%	—	11.4	—
41	20	Corinthian 10p	39	......	†1.05	5.9	3.8	4.5
£24¾	£15	Cred. France F75	£18⅛	......	Q9.87%	—	3.6	—
11	5	Dawes (G. R.)	10	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£63¼	–¾	Q18.12%	—	5.8	—
90	55	F. C. Finance	63	......	2.2	4.9	5.0	5.8
16¼	5¼	First Nat. 10p	15¼	+¼	—	—	—	Φ
4	1½	Do. Wrrts. 75-83	3	......	—	—	—	—
266	178	Gerrard Natnl.	226	......	†9.12	—	5.8	—
78	38	Gibbs (A.)	78	+5	2.2	—	4.0	—

BANKS & HP—Continued

Hire Purchase, etc.

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FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
420	97	Coronation	420	+30	Q54c	2.2	7.4
660	132	Falcon Rh.50c	660	+10	Q100c	1.7	10.4
48	11	Rhod'n Corp. 16⅔p	46	+2	0.56	6.5	1.7
267	70	Roan Cons. K4	267	+20	Q0.125	ϕ	2.9
67	26	Wankie Col. Rh.1	65	+1	Q9c	1.5	9.5
57	9	Zam.Cpr.SBD0.24	53	+2	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	25	......	—	—	—
17	4	ACM 20c	16	......			
82	50	Bond Corp.	80	......	Q3.75	2.2	2.4
171	100	Bougainville 50 Toea	163	+13	†Q15c	1.0	4.8
240	84	BH South 50c	240	......	ϕ—	—	—
£24⅝	340	Central Pacific	£24⅝	+1⅝	—	—	—
318	170	Conzinc Riotinto 50c.	284	+10	NQ10c	2.0	1.8
36	14	Cultus Pacific N.L.	18	......	—	—	—
*44	2½	Eagle Corp. 10c	44	......	—	—	—
22	11	Endeavour 20c	22	+1½	—	—	—
228	62	G. M. Kalgoorlie 25c	228	+18	Q3c	—	0.7
305	148	Hampton Areas 5p.	300xd	+10	3.5	2.8	1.7
75	20	Haoma Gold N.L.	34	......	—	—	—
71½	25	Metals Ex. 50c	59	+4	—	—	—
285	134	M.I.M. Hldgs. 50c	285	+15	hQ16.1c	1.8	2.9
25	15	Minefields Expl.	20	......	—	—	—
100	30	Mount Lyell 25c	100	+16	—	—	—
44	13	Newmetal 20c	24	......	—	—	—
167	91	††North B. Hill 50c.	161	+9	Q12c	1.4	3.8
56	4½	Nth. Kalgurli	56	+6	—	—	—
165	45	Nth. Mining Corp.	129	−9	—	—	—
71	18	N. West Mining N.L.	25	−1	—	—	—
193	76	Oakbridge $A1	182	......	Q12c	4.7	3.4
112	22	Olimin N. L.	105	......	—	—	—
134	58	Pacific Copper	128	......	—	—	—
*575	125	Pancont'l 25c	430	+20	—	—	—
*62	2	Paringa M&Ex 5p	62xr	+1	—	—	—
450	248½	Peko-Wallsend 50c.	425	+5	tQ17.5c	ϕ	2.1
217	125	Seltrust A	200	......	—	—	—
870	145	Southern Pacific	870	+40	—	—	—
*55	8½	Swan Resources 20c.	55	+3	—	—	—
16	12	West Coast 25c	13	......	—	—	—
231	121	Westn. Mining 50c.	231	+14	Q7c	1.6	1.6
28	8	Westmex	26	......	—	—	—
94	40	Whim Creek 20c	80	−14	—	—	—
25	10½	York Resources	24	......	—	—	—

TINS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	28	......	1.0	1.9	6.5
435	265	Ayer Hitam $M1	295	−5	Q290c	0.9	20.0
72	48	Beralt Tin	49	+1	4.5	ϕ	13.1
270	155	Berjuntai $M1	155	−5	‡095c	1.0	‡
190	125	Geevor	165	−5	8.71	3.1	7.5
10½	8	Gold & Base 12½p	10	......	—	—	—
365	295	Gopeng Cons.	335	......	Z17.0	ϕ	7.2
370	289	Hongkong	300	......	35.87	ϕ	17.1
98	64	Idris 10p	93	......	†8.0	1.6	12.3
15	9½	Jantar 12½p	15	......	—	—	—
95	38	Kamunting $M0.50	65	......	Q47½c	1.1	16.4
620	210	Killinghall $M1	300	......	Z060c	—	4.1
585	365	Malay Dredging $M1	580	−5	†Q105c	2.6	3.7
57	26	Pahang	27	......	0.44	0.3	2.4
123	60	Pengkalen 10p	105	......	Z4.0	ϕ	5.4
275	195	Petaling $M1	230	......	Q150c	ϕ	13.3
87	53	Saint Piran	60	......	‡2.5	6.4	‡
58	34	South Crofty 10p	40	+1	‡5.0	2.0	‡
230	170	South Kinta $M0.50	200	−5	Q150c	1.0	15.3
430	285	Sthn Malayan $M1	370	−10	Q175c	2.1	9.6
310	210	Sungei Besi $M1	240	−5	†Q520c	1.0	44.3
75	25	Supreme Corp. $M1	35	+7	Z010c	—	5.8
105	93	Tanjong 15p	100	+2	7.5	0.7	10.7
115	90	Tongkah H. Tin	90	−5	Q45c	1.3	11.2
280	190	Tronoh $M1	240	−5	†Q25c	5.2	2.1

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	56	Messina R0.50	175	+8	Q10c	ϕ	3.3

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	65	+3	—	—	—
14½	10	Burma Mines 17½p	12½	......	—	—	—
440	170	Cons. Murch. 10c.	440	+20	Q100c	ϕ	13.0
585	280	Northgate C$1	560	+30	—	—	—
392	226	R.T.Z.	392	+25	†11.5	3.4	4.2
31	12	Robert Mines	23	−1	—	—	—
65	26	Sabina Inds. C$1	38	......	—	—	—
880	470	Tara Exptn. $1	520	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♠ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27	+1
Bertam	16	......
Bdg'wtr. Est. 50p	365	+5
Clover Croft	55	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	11	+1
Fife Forge	39	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	850	+25
Higsons Brew.	80	......
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	173	−2
Pearce (C. H.)	365	−5
Peel Mills	33	+1
Sheff. Refrshmt	98	......
Sindall (Wm.)	165	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£87⅝	+⅜
Nat. 9¾% 84-89	£71½	+⅝
Fin. 13% 97/02	£85⅛	+½
Alliance Gas	67	......
Arnott	340	......
Carroll (P.J.)	52	......
Clondalkin	85	......
Concrete Prods.	80xd	......
Heiton (Hldgs.)	32	......
Ins. Corp.	200	......
Irish Ropes	66	......
Jacob	33	......
T.M.G.	125	......
Unidare	82	+2

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	22	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14		
Cadburys	5½	Mrks. & Spncr	9	**Oils**	
Courtaulds	8	Midland Bank	30	Brit. Petroleum	28
Debenhams	8	N.E.I.	5	Burmah Oil	15
Distillers	21	Nat West Bank	32	Charterhall	6½
Dunlop	5½	P & O Dfd.	9	KCA	6½
Eagle Star	14	Plessey	10	Premier	4½
F.N.F.C.	1¾	Racal Elect.	20	Shell	28
Gen. Accident	21	R.H.M.	4½	Tricentrol	27
Gen. Electric	30	Rank Org.	18	Ultramar	32
Glaxo	40	Reed Intnl.	17		
Grand Met.	12	Sears	5½	**Mines**	
G.U.S. 'A'	30	Tesco	7	Charter Cons.	18
Guardian	23	Thorn	25	Cons. Gold	40
G.K.N.	22	Trust Houses	14	Lonrho	9
Hawker Sidd	16	Tube Invest.	27	Rio T. Zinc	35
House of Fraser	12	Unilever	40		
		U.D.T.	4		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday January 19 1980

MAN OF THE WEEK

Opening up the Bank

BY PETER RIDDELL

A FORMER TUTOR in English literature at Melbourne University hardly fits the popular picture of a Deputy Governor of the Bank of England. Indeed Mr. Christopher "Kit" McMahon, who will start a five-year term in the post on March 1, is in some respects the personification of the open and less stuffy image which the Bank now likes to cultivate.

There has, however, been no revolution in Threadneedle Street. Mr. McMahon, who is 52, *may still have a residual* Australian accent after 29 years in Britain, yet he has become very much part of the English economics establishment.

After the invaluable start of a first-class degree in politics, philosophy and economics, he spent the mid- and late-1950s as a professional economist in the Treasury (both in London and Washington) and most of the early 1960s as an Oxford don. He joined the Bank in 1964, becoming *one of the six executive* directors in 1970; his time has been divided between working *first as an economist* and most recently in charge of the overseas side.

Christopher "Kit" McMahon
Commonsense rather than masses of theory

Mr. McMahon has gained a reputation as a tough and direct operator. Within the Bank he is liked for his approachability and respected for his technical competence, while being regarded as a demanding taskmaster. Foreign financial officials view him as an effective *performer* at the many international meetings which he has attended regularly. Within *Whitehall he is seen as a skilful* advocate, adept at winning battles within the corridors of power, who impressed *many*, including senior ministers, during the ups-and-downs of sterling in 1976-78. To outsiders, his main characteristics are accessibility, openness and an obvious ability to communicate.

Mr. McMahon *is very much a* pragmatist rather than a crusader. As a professional economist he was always more interested in policy rather than theory.

His main published work as a academi was on sterling, publisheed in 1964, in which he described devaluation very much as last resort. While recognising the impossibility of escaping at present from the world of floating rates he still believes that some degree of fixity of exchange rate is desirable as a discipline. Lke *many* other economists his views have been significantly affected by the economic shocks *of* the 1970s, which have resulted in greater stress on fighting inflation and on monetary *policy* as a means of doing so.

The greater emphasis on *monetary control* has increaed the Bank's role in economic decision-making. The major *reorganisation of* the Bank structure now being undertaken will concentrate the previously *divided departments* dealing with domestic and external monetary policy and market *operations* and Mr. McMahon will now co-ordinate these activities.

Consequently Mr. McMahon will be in an even more influential position than previous *Deputy* Governors. He may also be more prominent publicly by posibly taking some of *the load off* Mr. Gordon Richardson, the Governor. His appointment is not intended to have *any direct* implications for the succession to Mr. Richardson whose present term runs out in three years *time. The* decision is up to the politicians. Nevertheless, Mr. McMahon's role as policy *co-ordinator* provides him with the opportunity to make his wealth. The odds on a first Australian-born Governor have certainly shortened this week.

Bonn will not pay EEC more to aid UK

BY JONATHAN CARR IN BONN

WEST GERMANY has stressed that there is no question of increasing European Community *expenditure as a whole simply* to channel more funds to Britain and thus help solve her EEC *Budget contribution problem.*

A Bonn Finance Ministry statement yesterday, after talks *between leading West German* and British officials, said that if extra cash was given to Britain by *boosting expenditure on some* EEC policies, this could be done only by making savings in *others.*

The statement does not specify where thesavings might be made. *But it is clear that* the only major sector which could be involved is agriculture, *which itself accounts for* more than 70 per cent of EEC budgetary expenditure.

Because of her relatively small farming sector, Britain gains little from the Common Agriculture Policy, and this is one reason why this she will be *the biggest net contributor to* the EEC Budget.

Sir Ian Gilmour, the Lord Privy Seal, who met Herr Hans Matthoefer, the Bonn Finance Minister, and other German representatives, described the talks as 'in a very good atmosphere, friendly, useful and helpful."

This judgment was confirmed by *a member of the West* German side, who said that had all British representatives conducted themselves as Sir Ian did then the budgetary priblem might already have been solved.

Sir Ian has now visited most EEC capitals to discuss the Budget, and is due in Paris, perhaps his more difficult call, next week.

Replying to questions at a Press conference, he said he felt that agreement had almost been reached among Britain's EEC partners that changes in the so-called "corrective *mechanism" must be made to* help cut Britain's payments to EEC.

Thus the main effort was concentrating on ways in which Britain could also obtain bigger *receipts from the Community.*

Sir Ian carefully avoided saying that Britain was still insising on a "broad balance" between her EEC payments and receipts, noting that this phrase had often been misinterpreted.

While saying that Britain wanted a solution as soon as possible, he did not repeat the earlier call fo ra special meet*ing of EEC Heads of* Government meeting on the Budget next month.

Sir Ian noted that *Commission* proposals on the Budget would not be ready until the end of January or beginning of February, and that in any case it was up to Italy, as current EEC chairman, to decide when a meeting should be called.

Iranian bank bids to recover deposits

By David White in Paris

BANK MARKAZI, the Iranian central bank, has issued an attachment order on $50m held by Citibank at the Bank of France, in a new move towards *recovering* an equivalent deposit at the Paris branch of Citibank. This is an attempt to *get round President Carter's* order blocking Iranian funds held by U.S. institutions.

The U.S. bank has compulsory reserves at the Bank of France and at Banque Internationale pour l'Afrique Occidentale, which acts as a clearing body for Citibank in Paris.

Citibank has responded by appealing against the attachment at a Paris civil court, which is due to issue its judgment at the beginning of next *week. A further judgment* on Bank Markazi's initial claim on its assets is expected in March.

The latest move complicates an already *confused* situation in which the Iranians have so far failed in two attempts to free their funds. The time deposit reached maturity in November, just after President Carter's order.

Another Paris court declared four weeks ago that it did not have the authority to judge the *case under a summary procedure.* The Iranian bank's first application for an injunction *had already been turned down* after it was revealed that a tempoary agreement had been made, *extending the deposit for* a further 30 days. At the time of the court request, the funds were, therefore, still technically on time deposit.

Bank Markazi first applied for the funds to be converted into sterling for payment of *food import contracts.* It later requested that they be released in the form of French francs *instead. Citibank argued that* they could only be returned in dollars and through the same *channels* as they *had* been received. This, according to lawyers, meant that the transaction would pass through New York, in which case the funds would be frozen there.

The latest manoeuvre on the part of the Iranians is seen as *a preliminary measure to secure* an equivalent amount in compensation if release of the original $50m deposit continues to prove technically impossible.

Under French banking law, Citibank's Paris branch is subject to the same rules as any *French* bank. The French Government has so far not taken any decision on freezing *Iranian bank assets.*

The Bank of France confirmed that following a change in its rules in 1973, claims could be made on the non-interest bearing reserves which institutions placed there.

Citibank representatives in Paris have refused to comment on the case.

THE LEX COLUMN

Equities shrug off the squeeze

Some of gold's glamour appears to have rubbed off on to the sterling securities markets. While the world's funk money has continued to pour into the yellow metal, just a little seemed to have been diverted into sterling, which has risen 1.3 per cent this week. This has provided the right background for further strength in both gilt-edged and equities.

Some of the high coupon *longs are up more than* 2½ points on the week, paying hardly any attention to the dis*turbing figure for* average earnings growth published on Wednesday. Yields on these stocks have now declined to about 13¾ per cent, which compares with December's year-on-year inflation rate of 17.2 per cent, and 14.9 per cent on the Government's specially-tailored Tax and Price Index.

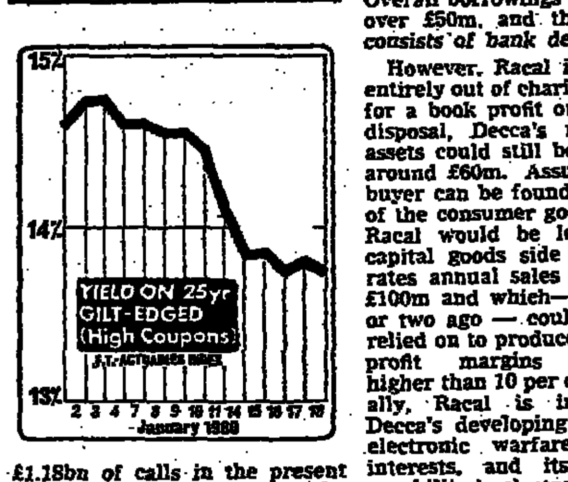
The market's faith in the *Government's ability to control* inflation is clearly intense. It is based upon the strength of *purpose in official monetary* policy, which could now be getting back on course. Even more intangible is the equity market's sudden change of heart. If anything, the industrial picture is getting bleaker. But after a buoyant day yesterday, the FT 30-share Index is up 24.6 points on the week and has shown a gain of 11 per cent on the year so far.

The purely financial nature of the behaviour of the equity *market in the short-term is* underlined. It has become the rule in recent years that when *the gilt-edged market turns, so* do equities. And since equities are more volatile, there is more money to be made.

The worry is that the private sector of the *economy* has *still* not experienced the full ferocity of the impending financial *squeeze. The very buoyancy of* the stock market in the last couple of weeks is *evidence of sorts that there is still plenty of* money around. If the Government miscalculates, as it has done several times before in its attemtps to fine-tune the growth of the money supply, the market could turn sticky again.

In these circumstances, the *Government's funding tactics* for the remainder of the financial year will amount to a fascinating exercise. Yesterday's decision to issue two taps, rather than, as the market had hoped, only one, is a sign that the authorities are determined to play as safe as possible. The gilt-edged market stood up well last night to the prospect of

Index rose 9.0 to 459.8



£1.18bn of calls in the present banking month, assuming the stocks are sold. If the market is *not to suffer from indigestion,* the authorities will have to make some very good guesses about the volume of overseas and bank money punting in gilts, and will have to be ready to counter any excess of funding through some well-judged buying in of maturing stocks.

Racal/Decca

It has been depressingly clear for some time that a takeover bid was likely to be the only way to check Decca's trading decline. It has also been pretty *obvious* that Racal was the most likely bidder. Its expansionary ambitions are well known, and there may well have been anti-trust pressures against a number of other UK companies and national security objections to an offer from abroad.

So the share prices of both Decca and Racal have already *gone a long way towards dis*counting the news that talks are now in progress. Decca's current stock market value is £60m, and that could be somewhere around the figure that Racal (valued at £467m on the market) is prepared to pay. It looks as though the two sides are quite close to agreement: Decca has always shown would-be bidders straight to the door in the past, and yesterday's statement was timed to *coincide with details of the sale* of Decca's record catalogue to Polygram and the company's depressing *half-time statement.*

Attributable losses in the half-year to September total £3.1m and there is no interim dividend: the current half will bring further losses, not least because of the impact of high interest rates on *Decca's finance costs.* Overall borrowings must now be over £50m, and the vast bulk *consists of bank debt.*

However, Racal is not acting entirely out of charity. Allowing for a book profit on the record disposal, Decca's net tangible assets could still be somewhere around £60m. Assuming that a buyer can be found for the rest of the consumer goods business, Racal would be left with the capital goods side which generates annual sales of well over £100m and which—until a year or two ago — could usually be relied on to produce pre-interest profit margins comfortably higher than 10 per cent. Specifically, Racal is interested in Decca's developing interests in electronic warfare, its radar interests, and its established capability in electronic engineering. A bid will certainly bring earnings dilution over the short term, but Racal's internal growth rate seems to be slowing down anyway.

Felixstowe

European Ferries' subsidiary Felixstowe Dock has come up with what looks like a very happy way out of the problem that its success has brought it, chronic shortage of capacity. The £27m package put together to double the container-handling capacity of the port of Felixstowe and allow it to take deeper draft vessels contains a substantial slice of finance from the Hong-Kong-based C. Y. Tung group, securing sole user facilities for its subsidiary OOCT.

Apart from providing £5.6m initially, OOCT's parent is funding a further £11.7m (to be borrowed from Finance for Shipping) through its rent payments on a 35-year lease of dock space. Euroferries will lease £4m of equipment and Felixstowe Dock is raising £6½m through a 1984 *preference stock* carrying a 9¼ per cent coupon.

The cheap preference money costs a real 14 per cent, with ACT. The trick is that Felixstowe has no foreseeable liability for mainstream corporation tax; subscribers to the issue who do have this liability will be able to use the franked income for dividend payments. For *them the effective yield is over* 20 per cent.

The financing costs of the total package will weigh heavily on the group this year, but from 1981 onwards there should be a useful increase in profits from Felixstowe.

European Ferries gives £27m boost to Felixstowe

BY REG VAUGHAN

THE SUFFOLK port of Felixstowe, the second largest container port after Dover, is to undertake a major expansion programme costing £27m.

This move, which would more than double the port's container-handling capacity, follows the Royal Assent to the Felixstowe Dock and Railway Act empowering the company to embark on expansion.

Felixstowe became a subsidiary of European Ferries in March 1976 after a protracted battle with the Government for control.

Mr. Keith Wickenden, the chairman, said yesterday that this latest move would take the port into first place in the Container league and would mean *taking traffic away from South*ampton. He estimated that in the next ten years Felixstowe would become Britain's leading port in general cargo.

In the 10 years to the end of 1978, the total cargo handled by the port has jumped from 1.54m to 4.89m tonnes.

In 1978 it was the second busiest port in tonnage terms and third busiest in terms of units *of container and roll on*-roll off traffic. In that year it handled 4.39m tonnes in 286,000 units of container traffic of this kind.

In the first nine months of 1979 the port has handled 158,000 containers, an increase of 10 per cent on the same period of 1978. Present indications are that growth of cargo and container traffic in the next five years could bring over 8m tons of cargo, including *some* 400,000 containers.

The company estimates that about 850,000 passengers will have passed through the terminals in 1979, with at least 1.25m by the mid-1980s.

The Royal Assent empowers the company to build a further 3,500 ft of quay as an extension, but the immediate proposal is to build about 1,400 ft of new quay wall and reclaim about 60 acres of seabed and offshore. Most of the construction work is to be undertaken by French Kier Construction.

Of the £27m cost, some £6.5m wellcome from issue of 9.5 per cent redeemable preference stock, and a further £11.7m will be provided in the shape of a secured loan from Finance for Shipping, a subsidiary of Finance for Industry.

The balance is to come from Orient Overseas Containers Holdings, one of the dock's customers, and from the Port of Felixstowe itself.

Battle for Miami air route

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN MIAMI

A BATTLE for the London-Miami air route is in progress and is likely to be a topic at *the Anglo-American air service* negotiations, opening in London on January 29.

The *London-Miami* route *has* been flown for many years by British Airways and National Airlines of the U.S.

As a result of the takeover of National Airlines by Pan American, National will quit the route, and a new U.S. airline must be designated for it.

The struggle is intense, at least 10 U.S airlines applying for the route to the U.S. Civil Aeronautics Board.

They include Pan American, American Airlines, Air Florida, Braniff, Western, Delta, Trans World, Eastern and Republic Airlines.

Eastern and Air Florida seem the most favoured.

Laker Airways, which flies Skytrain at cheap fares between Gatwick, New York and Los Angeles, has applied to the UK Civil Aviation Authority for approval that would effectively upgrade the London-Miami route from "single designation" (served by one airline from each country) to "dual designation" (two from each country).

At stake in this battle is a major air route carrying well over 300,000 passengers a year, which could rise through the 1980s, probably to more than 1m.

To attract this kind of traffic Eastern Airlines, for example, has told both governments that *it would offer cheap fares rising* from $99 (£45) for a single trip between Miami and London, *substantially cheaper* even than the present lowest standby fare by National Airlines of $184 for the single journey.

● A package deal to raise fares by between 5 and 10 per cent from April 1 is likely to be agreed at the conference in Geneva of the International Air Transport Association, which ends on Tuesday.

Backing for plan to phase out open registry shipping

BY WILLIAM HALL IN GENEVA

AFTER CONSIDERABLE delay the Group of 77, representing the developing countries of the world, has come out in favour of phasing out flags of convenience shipping. The move is *potentially* a considerable setback for Liberia, which controls the largest such fleet in the world.

In a draft resolution submitted to the UNCTAD work*ing group considering phasing* out flags of convenience, the Group of 77 says it is convinced *that the continued expansion of* open registry fleets has already affected the development and *competitiveness of fleets from* developing countries.

It also said it has become *necessary and indispensable for* all countries to agree upon a set of uniform principles for phasing out open registry operations.

The Group of 77 concludes that open *registries* should be phased out "within a reasonable period of time" and recom*mends that* the working group decide on the legal mechanism of phasing out open registries. *It also urges that in drawing* up the appropriate international instrument the working group *should ensure that the interests* of seamen from developing countries should not be *adversely affected.*

As a concession to Liberia and other flag of convenience *countries it recommends* that the UNCTAD Secretariat undertakes a study on the possible *effects of phasing out open* registries on the economies of countries like Panama.

Continued from Page 1

Steel ban

union leader that government *policies could precipitate in*dustrial action far wider than the present steel strike over *pay, now approaching its fourth* week.

Today leaders of the two *principal steel unions will put* their case for a better pay offer to Sir Keith Joseph, Industry Secretary, and Mr. James Prior, Employment Secretary.

Mr. Weighell said he was coming under great pressure from his members to fight the associated threat to railway jobs, particularly in South Wales, where about 3,000 were at risk. But trade union action confined to South Wales would not be enough to stop BSC's plans.

A general strike "cannot be very far off," he said. "We are within spitting distance of it. It's a 1926 situation." He continued: "It was agreed to leave the negotiations (about BSC's closure plans) to the TUC. To that extent they are involved.

"If they don't get anywhere, they will have no alternative but to call for some action. How you can call out just those directly involved, I don't know."

The Wales TUC has already announced a one-day general stoppage by steel, coal and transport workers in 10 days' time, to be followed by an *indefinite strike* from March 10 unless the BSC draws back.

The NUR general secretary *is seeking clear guidance from* Wednesday's TUC general council, where some crucial tactical decisions will be taken, before throwing his troops behind the South Wales protest.

Continued from Page 1

Police may probe

pended in August "pending satisfactory answers to questions relating to business placed with Ashby Syndicates 753 and 751."

Although he was subsequently reinstated, he left the company *of his own volition later.*

No underwriter is allowed to accept business directly from the general public or insurance interests outside its market unless properly authorised authority is given.

Furness Houlder (Insurance) has been concerned that business which allegedly was processed through its offices to the Ashby syndicates was not shown in its records.

Weather

UK TODAY

MOSTLY dry in East. Wet elsewhere. Cold.

S.E. England, E. Coast, N.E., E. Scotland, Orkney, Shetland

Mainly dry, bright intervals. Cold. Max. 3C (37F).

Cent. and N.W. England, Midlands, N. Wales, W. Scotland, N. Ireland

Cloudy. Sleet or snow. Strong winds. Max. 3C (37F).

S.W. England, S. Wales, Channel Isles

Rain or sleet at first. Max. 6C (43F).

Outlook: Cold. Sleet or snow. Night frosts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	12	54	Istanbul	C	3	37
Algiers	C	13	55	Jersey	C	−1	30
Amsdm.	S	−4	25	L. Pims.	F	18	64
Athens	F	11	52	Lisbon	C	−9	48
Barclna.	F	6	43	Locarno	F	3	37
Beirut	S	16	61	London	C	3	37
Belfast	C	3	37	Luxmbg.	C	−5	23
Belgrd.	S	0	32	Madrid	S	4	39
Berlin	C	−7	19	Majorca	C	10	50
Biarritz	R	4	39	Malaga	S	12	54
Bmghm.	C	−1	30	Malta	F	17	63
Blackpl.	C	0	32	M'chstr	C	−1	30
Bordx	C	1	34	Milan	F	4	39
Boulgn.	Fg	−5	23	Moscow	Sn	6	21
Bristol	F	0	32	Munich	C	−5	23
Brussels	S	−2	28	Naples	F	10	50
Budpst.	C	−2	28	Nwcstl.	F	2	36
Cardiff	F	1	34	Nice	C	13	55
Cas'b'ca	F	14	57	Nicosia	F	15	59
Cologne	S	−2	28	Oporto	C	7	45
Cpnhgn.	C	0	32	Oslo	S	−6	21
Corfu	R	11	52	Paris	F	−3	27
Dublin	C	4	39	Prague	C	−6	21
Dbrvnk.	C	11	52	Reykjvk.	F	−3	27
Ednbgh.	F	3	37	Rhodes	S	15	59
Faro	S	11	52	Rome	C	13	55
Florence	F	11	52	Salzbrg.	S	−5	23
Frankft.	S	3	27	Stckhm.	C	−2	28
Funchal	C	16	61	Strasbg.	S	−1	30
Geneva	C	−3	27	Tangier	F	12	54
Gibrltr.	S	12	54	Tel Aviv	S	18	64
Glasgow	C	4	39	Tenerife	C	15	59
G'rnsey	C	0	32	Tunis	F	15	59
Helsinki	S	1	34	Valencia	S	9	48
Innsbrk.	S	−1	30	Venice	F	5	41
Invrnss.	C	4	39	Vienna	S	−2	28
I.o.Man	C	5	41	Warsaw	S	−7	19

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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